

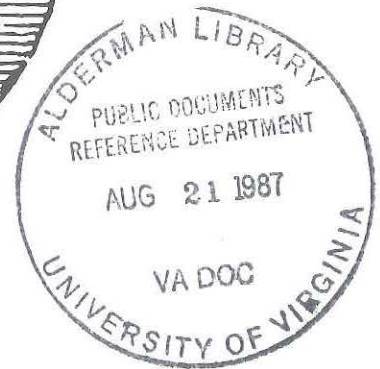
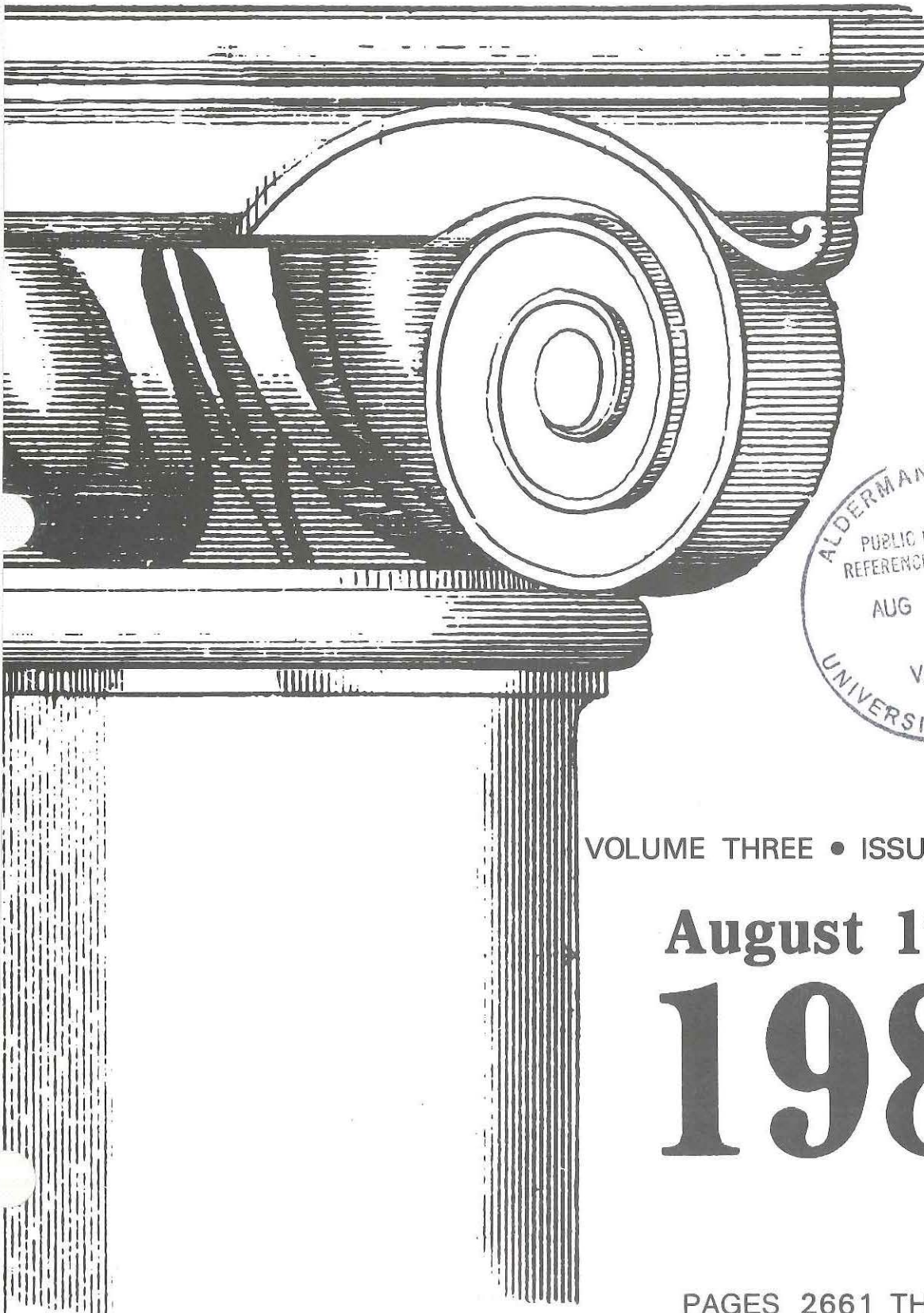
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VIRGINIA REGISTER

OF REGULATIONS



VOLUME THREE • ISSUE TWENTY-THREE

August 17, 1987

1987

PAGES 2661 THROUGH 2814

INFORMATION ABOUT THE VIRGINIA REGISTER OF REGULATIONS

VIRGINIA REGISTER

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

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

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

ADOPTION, AMENDMENT, AND REPEAL OF REGULATIONS

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

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

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

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

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

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

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

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

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

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

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

EMERGENCY REGULATIONS

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

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

STATEMENT

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

CITATION TO THE VIRGINIA REGISTER

The *Virginia Register* is cited by volume, issue, page number, and date. 1:3 V.A.R. 75-77 November 12, 1984 refers to Volume 1, Issue 3, pages 75 through 77 of the *Virginia Register* issued on November 12, 1984.

"The *Virginia Register of Regulations*" is published bi-weekly, except four times in January, April, July and October for \$85 per year by the Virginia Code Commission, General Assembly Building, Capitol Square, Richmond, Virginia 23219. Telephone (804) 786-3591. Application to Mail at Second-Class Postage Rates is Pending at Richmond, Virginia. POSTMASTER: Send address changes to the *Virginia Register of Regulations*, P.O. Box 3-AG, Richmond, Virginia 23208.

The *Virginia Register of Regulations* is published pursuant to Article 7 of Chapter 1.1:1 (§ 9-6.14:2 et seq.) of the Code of Virginia. Individual copies are available for \$4 each from the Registrar of Regulations.

Members of the Virginia Code Commission: Theodore V. Morrison, Jr., Chairman, Delegate; Dudley J. Emlek, Jr., Vice Chairman, Senator; A. L. Philpott, Speaker of the House of Delegates; James P. Jones, Senator; Russell M. Carneal, Circuit Judge; John Wingo Knowles, Retired Circuit Judge; H. Lane Kneedler, Chief Deputy Attorney General; John A. Banks, Jr., Secretary, Director of the Division of Legislative Services.

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

VIRGINIA REGISTER OF REGULATIONS

PUBLICATION DEADLINES AND SCHEDULES

MATERIAL SUBMITTED BY
Noon Wednesday

PUBLICATION DATE

Volume 3 - 1987

July 1	July 20
July 15	Aug. 3
July 29	Aug. 17
Aug. 12	Aug. 31
Aug. 26	Sept. 14
Sept. 9	Sept. 28
Final Index - Vol. 3	

Volume 4 - 1987-88

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Oct. 7	Oct. 26
Oct. 21	Nov. 9
Nov. 4	Nov. 23
Nov. 18	Dec. 7
Dec. 2	Dec. 21
Dec. 16	Jan. 4, 1988
Index - 1st Issue, Vol. 4	

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Feb. 24	Mar. 14
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May 4	May 23
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PROPOSED REGULATIONS

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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.

STATE BOARD OF ACCOUNTANCY

Title of Regulation: VR 105-01-2. Rules and Regulations of the State Board of Accountancy.

Statutory Authority: § 54-1.28(5) of the Code of Virginia.

Public Hearing Date: October 20, 1987 - 9 a.m.

Summary:

The proposed amendments delete actual fee amounts for CPA examination, CPA reexamination, out-of-state proctoring fee, CPA license original and renewal, CPA certificate original and maintenance, CPA professional corporation registration and renewal, and certificate by endorsement. Due to the continuing necessity of the board to comply with § 54-1.28:1 of the Code of Virginia, the financial revenues and expenditures fees were deleted. Unpredictable changes in operating costs, number of applicants, etc. frequently necessitate changing fees to comply with § 54-1.28:1. In removing fees from the regulation the board can better comply with the Act and avoid unnecessary revision to regulations. This measure may actually help keep applicant and licensee costs down by avoiding unnecessary regulatory expense. Fees will be indicated on all applications so no impact should affect the applicant or licensee. All fees will be recorded in the official minutes of the Virginia State Board of Accountancy.

VR 105-01-2. Rules and Regulations of the State Board of Accountancy.

PART I. GENERAL.

§ 1.1. Definitions.

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

"Accredited institution" means any four-year degree-granting college or university accredited at the time of the applicant's degree or attendance by any of the following:

1. Middle States Association of Colleges and Secondary Schools;
2. New England Association of Schools and Colleges;
3. North Central Association of Colleges and Secondary Schools;

4. Northwest Association of Schools and Colleges;
5. Southern Association of Colleges and Schools; and
6. Western Association of Schools and Colleges.

"Anniversary date" means September 30 of each even numbered year.

"Certification" means the issuance of a certificate to a person who has met all the requirements of these regulations.

"Certify," "Examine," "Review," or "Render or disclaim an opinion," when referenced to financial information or the practice of certified public accountancy, are terms which, when used in connection with the issuance of reports, state or imply assurance of conformity with generally accepted accounting principles and auditing and review standards. The terms include forms of language disclaiming an opinion concerning the reliability of the financial information referred to or relating to the expertise of the issuer.

"Client" means a person or entity that contracts with or retains a firm for performance of public accounting services.

"Compilation of financial statements" means presenting in the form of financial statements information that is the representation of management (owners) without undertaking to express any assurance on the statements.

"Firm" means a sole proprietorship, a corporation, partnership, professional association, or any combination practicing public accountancy in Virginia.

"Individual firm name" means a name different from the name in which the individual's license is issued.

"Jurisdiction" means another state, territory, the District of Columbia, or Puerto Rico.

"Principal" means a certified public accountant who is the sole proprietor of, or a partner or shareholder in, a firm.

"Professional association" means a firm organized in accordance with Chapter 25 of Title 54 of the Code of Virginia.

"Professional services and engagements" means the association between a client and the firm to perform, or offer to perform, public accounting services by the firm for the client.

Proposed Regulations

"Professional staff" means employees of a firm engaged in the practice of public accountancy and who make decisions relating to their work, but excludes employees performing routine bookkeeping services.

"Regulant" means any certificate holder, licensee, professional corporation or firm.

§ 1.2. Fees.

Fees are required as follows and will not be prorated:

CPA Examination	\$90.00
CPA Reexamination	\$90.00
Out-of-State Proctoring Fee	\$75.00
CPA License Original	\$75.00
CPA License Renewal (Biennial)	\$50.00
CPA Certificate Original	\$25.00
CPA Certificate of Maintenance Fee (Biennial)	\$20.00
CPA Professional Corporation Registration Certificate	\$50.00
CPA Professional Corporation Registration Certificate Renewal (Biennial)	\$50.00
Certificate by Endorsement	\$90.00

Fees shall be established by the board pursuant to § 54-1.28:1 of the Code of Virginia. All fees are nonrefundable and shall not be prorated.

§ 1.3. Renewal of licenses and registration.

Each license, certificate or registration of a professional corporation shall expire on September 30, of each even-numbered year and will be renewed upon receipt of the appropriate renewal application and fee. Failure of the regulant to receive written notice of expiration does not relieve him from the requirement to renew the license, certificate or registration.

Any person may renew an expired license, certificate or registration within six months after expiration by submitting the required renewal fee equal to 1 1/2 times the fee. If the regulant fails to renew within six months following expiration, he will be required to apply for reinstatement. The applicant will be required to present reasons for reinstatement, and the board, in its discretion, may grant reinstatement or require a requalification and/or reexamination. The application fee for reinstatement shall be an amount equal to twice the license fee.

§ 1.4. Notification of change of address.

Every regulant shall notify the board within 30 days of any change of address or name.

§ 1.5. Appeals.

Any person aggrieved by any case decision of the board may appeal any decision in accordance with the Administrative Process Act and the Department of Commerce Agency Rules of Practice for Hearing Officers.

§ 1.6. License required, renewal.

Any person holding a Virginia certificate shall either maintain a Virginia license to practice public accounting, or file biennially as a certificate holder not engaged in the practice of public accountancy and pay the required renewal fee.

§ 1.7. License required; exception.

Only a certified public accountant, holding a valid license, may engage in the practice of public accountancy in Virginia, provided this does not prohibit any person from affixing his signature to any statement or report for internal or management use designating the position, title, or office of the person.

§ 1.8. Use of term Certified Public Accountant.

No licensee or certificate holder in Virginia shall use or assume the titles or designations "certified public accountant," "public accountant," "CPA," or any other titles, designations, phrases, acronyms, abbreviations, signs, cards or devices tending to indicate the practice of public accountancy in his firm name unless all principals of that firm who work in Virginia or who have substantial contact with work in Virginia are licensed as CPAs in this state.

§ 1.9. Regulant accountable for services rendered.

Whenever a regulant offers or performs any services in Virginia related to the practice of public accountancy, regardless of the necessity to hold a license to perform that service, the regulant shall be subject to the provisions of these regulations. A regulant shall be responsible for the acts or omissions of his staff.

PART II. ENTRY.

§ 2.1. General.

Any person applying for certification as a certified public accountant shall meet the requirements of good character, education, and shall have passed an examination. Any person applying for a license to practice public accounting in Virginia shall hold a Virginia certificate as a certified public accountant and must meet the experience requirement.

§ 2.2. Good character.

Each applicant shall have fiscal integrity and a lack of history of acts involving dishonesty or acts which would constitute a violation of these regulations. The board may deny certification upon a finding supported by clear and convincing evidence of a lack of good character.

§ 2.3. Education required.

Each applicant shall have earned one of the following:

Proposed Regulations

1. A baccalaureate or higher degree with either a major in accounting or a concentration in accounting from an accredited institution as defined in § 1.1;

2. One hundred twenty semester hours of earned credit from an accredited institution, which must include the following business related courses or their equivalent:

	Semester Hours
Principles of Accounting	6
Principles of Economics	3
Principles of Marketing	3
Principles of Management	3
Finance	3
Information Systems	3
Statistics	3
Business Policy	3
Financial Accounting and Accounting Theory	6
Cost/Managerial Accounting	3
Auditing	3
Taxation	3
Commercial Law (not to exceed six semester hours)	3
Business Electives	15
Total	60

3. Completion of a written examination approved by the board demonstrating that the applicant has obtained the knowledge, skill or ability equivalent to a bachelor's degree and 27 semester hours in accounting subjects from an accredited institution, which must include courses in accounting, auditing, cost accounting and not more than six semester hours in commercial law;

4. Until July 31, 1988, the education requirements will be satisfied with an earned baccalaureate or higher degree from an accredited institution or completion of a written examination approved by the board demonstrating that the applicant has obtained the knowledge, skill or ability equivalent to a bachelor's degree; and completion of 27 semester hours in accounting subjects from an accredited institution, which shall include courses in accounting, auditing,

cost accounting and shall not include more than six semester hours in commercial law.

§ 2.4. Evidence of education.

Each applicant shall submit evidence of having obtained required education in the form of official transcripts transmitted directly from the accredited institution. In unusual circumstances other evidence of education may be accepted when deemed equivalent and conclusive.

§ 2.5. Education prerequisite to examination.

The educational requirements shall be met prior to examination, provided, however, an applicant may be admitted to the examination, when the applicant has filed evidence of enrollment in the required courses. He may be admitted to a May examination if he will meet education requirements by June 30, and to a November examination if he will meet education requirements by December 31.

§ 2.6. Basic examination.

Each applicant for an original certificate to practice public accountancy in Virginia shall pass a basic four-part written national uniform examination in auditing, business law, theory of accounting, and accounting practice. Each part of the basic examination must be passed with a grade of 75 percent. The board is authorized to make use of all or any part of the Uniform Certified Public Accountant Examination and Advisory Grading Service of the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy to assist it in performing its duties.

§ 2.7. Examination credits.

Credit will be given for basic examination parts passed through five successive offerings subsequent to the first occasion when credit is earned, provided:

1. No credit will be allowed until accounting practice or two other parts are passed at a single sitting; and
2. When two or three parts are failed at a single sitting; a minimum grade of 50 is achieved on each of those failed parts; and
3. An applicant sits for all part not credited.

§ 2.8. Extension of unexpired credits.

The board may extend earned basic examination credits to any applicant who has been on active duty in the armed forces for a period of six months immediately prior to an examination month. Request for extension shall be made in writing within six months of completion of active duty but no later than ten years from the date the last credit was earned.

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§ 2.9. Conduct in basic examination.

A. An admittance card with recent photograph permanently attached shall be presented to sit for the examination.

Identification numbers assigned by the board shall be use in lieu of name on all papers submitted.

B. No resource or reference material, unless specified by the board is permitted in the examination site.

C. Work on each examination must be completed within the time specified.

D. All writing must be clear and legible.

E. No communication between examinees is permitted during the examination.

F. Each applicant shall honestly represent only his own personal knowledge, skill, or ability in answering questions.

G. Each applicant shall agree to submit to an inspection if required to enforce compliance with these regulations.

§ 2.10. Loss of credit or eligibility.

Any applicant found in violation of regulations governing conduct in examination will lose established eligibility to be admitted or credit for examination parts earned.

§ 2.11. Application deadline.

Application to sit for the basic examination shall be made on a form provided by the board and shall be filed with all required documents by the first Friday in March for the May examination and by the first Friday in September for the November examination.

§ 2.12. Failure to appear; excused examination.

An applicant who fails to appear for the basic examination or reexamination shall forfeit the fees charged for the examination or reexamination unless excused.

The board may excuse an applicant for an examination until the next examination for military service when documented by orders or a letter from the commanding officer; or for serious injury, illness, or physical impairment, any of which must be documented by a statement from the treating physician; or for other good cause of similar magnitude approved by the board.

§ 2.13. Ethics examination.

In addition to the basic examination, prior to obtaining a certificate, each applicant may be required to pass an examination in ethics.

§ 2.14. Experience required.

Subject to the foregoing, an individual will be eligible for licensure if he possesses one of the following:

1. Two years of experience in accounting with the attest function and/or the review function constituting not less than 800 hours of that experience; or

2. Three years of experience in accounting in its broadest sense. For those with more than a four-year lapse between completion of the CPA Examination and submission of the experience application, continuing professional education will be required. Such education may include courses in auditing, accounting and tax; or

3. Four years of diversified teaching experience in accounting subjects at an institution recognized by the board in conjunction with no less than five months experience with a public accounting firm with at least 600 hours of the work in auditing and preparation of financial statements.

“Diversified teaching experience” as used above means upper level courses in accounting, auditing and taxation.

§ 2.15. Education substituted for experience.

An applicant having an undergraduate degree in accounting will be credited with one year of required experience for completion of a master's degree at an accredited institution, which shall include 15 semester hours in graduate level accounting subjects.

§ 2.16. Certificate by endorsement.

Upon payment of the specified fee, a certificate will be granted to an applicant who holds a like valid and unrevoked certificate issued under the law of any jurisdiction showing that applicant is in good standing in the jurisdiction; provided:

1. The applicant meets all current requirements in Virginia at the time application is made; or

2. At the time the applicant's certificate was issued in the other jurisdiction, the applicant met all requirements then applicable in Virginia; or

3. The applicant has met all requirements applicable in Virginia except the education requirement, or has passed the examination under different credit provisions, and either:

a. The applicant has five years of experience in the practice of public accountancy within the 10 years prior to application, or

b. The applicant has five years of experience in the practice of public accountancy, one year of which

was immediately prior to application, and has completed 15 semester hours of accounting, auditing, and related subjects in an accredited institution.

PART III. STANDARDS OF PRACTICE.

§ 3.1. Sole proprietor name.

A sole proprietor shall use his own name as the firm name except that a proprietor surviving the death or withdrawal of all other partners may continue using the names of those partners for not more than two years after becoming a sole proprietor.

§ 3.2. Partnership name.

A licensee shall not practice in a partnership that includes a fictitious name, indicates specialization, or includes the terms "company" or "associates" or any similar term unless used to designate at least one unnamed, currently licensed partner, provided, that the name of one or more past partners or shareholders of a predecessor corporation may be included in the firm name of the successor partnership.

§ 3.3. Corporate names.

A licensee shall not practice in a corporation the name of which indicates fields of specialization, or includes the terms "company," "associates," or similar terms or derivatives unless used to designate at least one unnamed shareholder, or which constitutes a fictitious name. Names of one or more past shareholders or partners in a predecessor partnership may be included in the corporate name. The shareholder surviving the death or withdrawal of all other shareholders may use the names of those past shareholders or partners for up to two years after death or withdrawal.

§ 3.4. Notification of changes in firms.

A licensee shall notify the board in writing within 30 days after occurrence of any of the following:

1. The admission of any new shareholder or partner; or
2. The retirement or death of a copartner or shareholder; or
3. A change in the name of any partnership or professional corporation; or
4. The termination of any partnership or professional corporation; or
5. The change in the supervisor of any branch office; or
6. The change in the number or location of Virginia

offices; or

7. Any event which would cause the partnership or professional corporation not to be in conformity with the provisions of these regulations.

§ 3.5. Mandatory use of "CPA."

The term "certified public accountant(s)," or the abbreviation "CPA," shall appear with the name of a certified public accountant when used in connection with an expression of opinion.

§ 3.6. Sharing in office.

When sharing office facilities with any person who is not in the same firm, the licensee shall use practices and procedures which enable a reasonable person clearly to distinguish between the practice of the licensee and the operation of the other occupation or business.

§ 3.7. Resident manager in Virginia in charge of branch office.

Each branch office of a firm shall be managed by a certified public accountant licensed in Virginia. No licensed certified public accountant shall manage more than one office until such time as the licensee can provide, and the board approve, management plan to provide supervision and quality control over the work product of all offices under the supervision of the licensee.

§ 3.8. Misleading firm name.

Nothing shall be contained in the name, styling, or letterhead of any firm which implies an ability, relationship, or condition that does not exist.

§ 3.9. Independence.

A regulant shall not express an opinion on financial statements of an entity in such a manner as to imply that its licensees are acting in an independent capacity when the licensee has any of the following interests in that entity:

1. Commitment to acquire any direct or material indirect financial interest; or
2. Position as trustee, executor, or administrator of any estate if such trust or estate is committed to acquire any direct or material indirect financial interest; or
3. Ownership of any joint closely-held business investment with the entity or any officer, director, or principal stockholder thereof which was material in relation to the net worth of the licensee; or
4. Relationship with the entity as a promoter, underwriter, or voting trustee, director, or officer, or

Proposed Regulations

in any capacity equivalent to that of a member of management or of an employee; or

5. Having any loan to or from the entity, or from any officer, director, or principal stockholder thereof except loans made by a financial institution under normal lending procedures, terms and requirements such as: loans obtained by the licensee or firm which are not material in relation to the net worth of the borrower; or home mortgages; or other secured loans, except those secured solely by a guarantee of the firm of its licensees.

§ 3.10. Integrity and objectivity.

A licensee shall not knowingly misrepresent facts or subordinate his judgement to others. In tax practice, a licensee may resolve doubt in favor of his client when there is reasonable support for the position.

§ 3.11. Commissions.

A regulant shall not pay a commission to obtain a client, or accept a commission for a referral to a client of products or services of another. Payments for the purchase of all, or part, of an accounting practice, retirement payments to persons formerly engaged in the practice of public accountancy, or payments to the heirs or estates of such persons are permitted.

§ 3.12. Contingent fees.

A regulant shall not offer or perform the practice of accounting for a fee which is contingent upon the findings or results of these services. This regulation does not apply either to services involving taxes in which the sole findings are those of the tax authorities or to professional services for which the fees are to be fixed by courts or other public authorities.

§ 3.13. Incompatible occupations.

A regulant shall not concurrently engage in any other business or occupation which impairs his independence or objectivity in the practice of public accounting.

§ 3.14. Competence.

A regulant shall not undertake performance of professional services which he cannot reasonably expect to complete with due professional competence, including compliance, when applicable, with these regulations.

§ 3.15. Auditing standards.

A regulant shall not permit his name to be associated with financial statements involving the attest function in a manner that might be construed to imply he is acting as an independent public accountant unless he has complied with applicable, generally accepted auditing standards in use in Virginia at the time his name is so associated.

Departures from compliance with generally accepted auditing standards must be justified.

§ 3.16. Accounting principles.

A regulant shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if the financial statements contain any departure from generally accepted accounting principles in current use in Virginia, which has a material effect on the statement as a whole. Any departure is permissible only if the regulant can demonstrate that, by reason of unusual circumstances, the financial statements would otherwise be misleading. In such a case, the regulant's report shall describe the departure, the approximate effects, if practicable, and the reasons that compliance with the generally accepted accounting principle would result in a misleading statement.

§ 3.17. Other technical standards.

A regulant shall comply with other technical standards pertaining to accounting, tax services and management advisory services that are current practices in Virginia.

§ 3.18. Forecasts or projections.

No regulant shall vouch for the achievability for any forecast or projection.

§ 3.19. Confidential client information.

A regulant shall not, without the consent of his client, disclose any confidential information pertaining to his client obtained in the course of the practice of public accounting, except in response to a subpoena or summons enforceable by order of a court, in response to any inquiry made by the board or its agents, by a government agency, or by a recognized organization of certified public accountants, or by the client himself or his heirs, successors or authorized representative, or in connection with a peer review of the regulant's practice.

§ 3.20. Client's records.

A regulant shall furnish to its client or former client, regardless of any payment due the firm, within a reasonable time upon request:

1. A copy of the client's tax return; or
2. A copy of any report, or other document, issued by the regulant to or for the client and not formally withdrawn by the regulant prior to the request; or
3. Any accounting or other record belonging to the client, or obtained from or on behalf of the client, which the regulant removed from the client's premises or had received for the client's account; or
4. A copy of the regulant's working papers, to the

extent that such working papers include records which would ordinarily constitute part of the client's books and records not otherwise available to the client.

§ 3.21. Acting through others.

A regulant shall not permit others to carry out on his behalf, acts which, if carried out by the regulant, would place him in violation of these regulations. A regulant shall not perform services for a client who is performing the same or similar services for another, if the firm could not perform those services under these rules.

§ 3.22. Advertising.

A regulant shall not make any false, fraudulent, misleading, deceptive, or unfair statement or claim, including but not limited to:

1. A misrepresentation of fact; or
2. Failure to make full disclosure of any relevant fact; or
3. Representations of services of exceptional quality not supported by verifiable facts; or
4. A representation that might lead to unjustified expectation of higher level of performance or of favorable results.

§ 3.23. Solicitation.

A regulant shall not by any direct personal communication solicit an engagement to perform professional services if the communication is overreaching or contains use of coercion, duress, compulsion, intimidation, threats, or harassment.

§ 3.24. Response to board communication.

A regulant shall respond by registered or certified mail within 30 days of the mailing of any communication from the board when requested.

§ 3.25. Revocation, suspension, and fines.

The board may suspend, deny renewal, or revoke any certificate, or license, or may fine the holder thereof, upon a finding of any conduct reflecting adversely upon the regulant's fitness to engage in the practice of public accountancy.

§ 3.26. Practice inspection and continuing professional education.

In lieu of, or in addition to, any remedy provided in § 3.25, the board may require an inspection of a firm's practice or a completion of specified continuing education.

§ 3.27. Petition for reinstatement or modification of a

penalty.

No petition shall be considered while the petitioner is under sentence for a criminal offense related to the practice of public accountancy, including any period during which the petitioner is on court imposed probation or parole for such offense. Otherwise, a person whose certificate or license has been revoked or suspended may petition the board for reinstatement or modification of any penalty, no sooner than one year from the effective date of that decision. The petition shall be accompanied by at least two verified recommendations from licensees who have had personal knowledge of the activities of the petitioner since the time the disciplinary penalty was imposed. The board may consider all activities of the petitioner dating from the time the disciplinary action was taken; the offense for which the petitioner was disciplined; the petitioner's activities prior to the imposition of the penalty; the petitioner's rehabilitative efforts and restitution to damaged parties; and the petitioner's general reputation for truth and professional ability.

§ 3.28. Single act evidence.

Evidence of the commission of a single act prohibited by these regulations shall be sufficient to justify a finding of violation, without evidence of a general course of conduct.

§ 3.29. Ownership of records.

All statements, records, schedules, working papers, and memoranda made by a regulant incident to rendering services to client in the practice of public accountancy, shall become the property of the regulant absent an express agreement between the firm and the client to the contrary. No such statement, record, schedule, working paper, or memorandum shall be sold, transferred, or bequeathed, without the consent of the client to anyone other than a regulant.

VIRGINIA INFORMATION FOR APPLICANTS FOR UNIFORM CPA EXAMINATION

The Virginia State Board of Accountancy (Board) has engaged the Uniform CPA Examination Services Corporation (CPA Examination Services) for application processing, examination administration and grade reporting. Please read this information carefully before completing the application form. Applicants should also be familiar with the Virginia State Board of Accountancy Rules and Regulations which are provided.

APPLICATION FORMS

Separate forms are provided to apply as a first-time and as a reexamination candidate. Be sure you have received the appropriate current form. Transfer candidates, individuals who wish to transfer credit from other jurisdictions, must use the form for first-time candidates. The candidates are responsible for requesting transfer of their record from the original jurisdiction to CPA Examination Services a form for this purpose can be obtained from CPA Examination Services.

FILED APPLICATIONS

The signed application material, transcript(s), Certificate of Enrollment if applicable, 2" x 2" signed full-face "passport" photograph(s) signed at the bottom, and fee must be mailed no later than the deadline. The envelope must bear a U.S. Postal Service postmark dated no later than September 4, 1997.

Make check or money order payable to CPA Examination Services.

Incomplete or late applications will be returned.

Application fees WILL NOT be refunded or applied to future examinations, except as stipulated in Virginia Rules and Regulations Section 2.12.

EXAMINATION LOCATION REQUEST

Each candidate should specify first and second choices for examination location in Virginia. Assignments will be made in the order in which complete applications are received. Candidates who request to test in another state must meet the deadline and fee requirements for practicing in that state.

GRADE REPORTING, INSTRUCTIONS AND QUESTIONNAIRE

All candidates (and transfer candidates) must complete the form, "Grade Reporting, Instructions and Questionnaire", and mail it with their transcript(s) and fee to CPA Examination Services. (Obtain the instruction on the form to bring the questionnaire to the examination site if leaving page 2 with name and address facing up and MAIL it with your application.) It is essential that your name and address be complete to ensure that your grades reach you promptly after the grade release date. Contact CPA Examination Services if the questionnaire was not provided.

Information must be recorded in the spaces labeled "FILE" on page 2 of the questionnaire despite the direction on the form to leave it blank. The space is to be used to identify the state in which you are seeking certification and to record your social security number. In the first two boxes under "FILE" record the two digits of the code for Virginia which is 69. In the next 7 boxes, record the digits of your social security number. Then, bubble in the corresponding box in the column's directly below each digit. Be certain that the marks are bubbled in the appropriate column. This information must be recorded because the marks may be scanned electronically and be sent back to you. The information must be recorded carefully because the form will be read by machine.

ELIGIBILITY FOR EXAMINATION

- An applicant must be of good moral character and meet one of the following educational requirements.
- Have a baccalaureate or higher degree with a major in accounting or a concentration in accounting from an accredited institution.
 - Complete one hundred twenty semester hours of college credit in an accredited institution, which must include the following business related courses or their equivalent: six semester hours each in principles of accounting and financial accounting and accounting theory; three semester hours each in cost/managerial accounting, auditing, taxation, economics, marketing, management, finance, information systems, statistics, business policy, and commercial law (maximum of six semester hours); and fifteen hours in business electives.
 - Until July 31, 1998, have a baccalaureate or higher degree from an accredited institution with twenty-seven semester hours in accounting subjects which must include courses in accounting, auditing, cost accounting and shall not include more than six semester hours in commercial law.

EVIDENCE OF EDUCATIONAL QUALIFICATIONS

Candidates who are currently enrolled must submit relevant transcript(s) and record on the enclosed Certificate of Enrollment form the first of the courses in which they are currently enrolled. All evidence must be received by CPA Examination Services no later than the last day of the month following the examination (by June 30 for the May examination and by December 31 for the November examination). Evidence of completion of the educational requirements must be received by CPA Examination Services before grades will be released.

EXAMINATION CREDIT

The minimum passing grade for each subject shall be 75. A candidate who obtains a passing grade of 75 or more in accounting practice or in not less than two other subjects, and obtains a grade of not less than 50 on all subjects not passed, shall be deemed to be conditioned and credited with the subject or subjects passed.

At any examination, the candidate shall take all subjects for which the candidate does not have credit.

A conditioned candidate who fails to pass the remaining subject or subjects during the five consecutive examinations after first becoming a conditioned candidate loses the prior credits granted on subjects passed.

A candidate has been deemed to have been conditioned, each successive examination count toward the five consecutive examinations in which the candidate must pass the entire examination unless excused by the Board, (Virginia Rules and Regulations-Section 2.8)

ACKNOWLEDGMENT AND NOTIFICATION

Within ten working days after receipt, acknowledgment of the application materials will be mailed.

About ten days before the examination, an admission notice will be mailed to eligible candidates and will include dates, times and location of the examination. If the admission notice has not been received five days before the examination, telephone CPA Examination Services.

NAME OR ADDRESS CHANGE

Any name or address changes must be reported in writing to CPA Examination Services. Be sure to include your name as it appears on your application and your social security number.

CPA Examination Services staff is available by telephone on regular working days between 9:00 a.m. and 5:00 p.m. Eastern time.
CPA EXAMINATION SERVICES, VIRGINIA COORDINATOR, 545 18TH AVENUE, NEW YORK, NEW YORK 10007
(212) 687-5800 (800) CPA-EXAM

VIRGINIA APPLICATION FOR UNIFORM CPA EXAMINATION

Read "Information for Applicants" which you received with this application before completing both sides of this form. Record the information requested in ink or typewriter. Where boxes are provided, print one letter or digit in each box. Make a check mark where appropriate. Leave a box empty between words; omit punctuation, abbreviate as necessary.

1. NAME: FIRST, MIDDLE, LAST, MAIDEN

2. RESIDENCE ADDRESS AND TELEPHONE: This should be the address and telephone number of which you can be reached until the examination grades are reported. Send any change in writing to CPA Examination Services together with your name and social security number.

ADDRESS, CITY, STATE, ZIP, AREA CODE-TELEPHONE NUMBER

3. BUSINESS ADDRESS AND TELEPHONE

NAME OF ORGANIZATION, ADDRESS, CITY, STATE, ZIP, AREA CODE-TELEPHONE NUMBER

4. Is the first time you are applying for the Uniform CPA Examination in Virginia? YES NO

5. Have you ever applied for the Uniform CPA Examination in any other state? YES NO

6. Are you transferring credit from that state? YES NO

7. Have you ever been denied permission to take the Uniform CPA Examination for a reason other than not meeting the educational requirements? YES NO

8. I hereby request permission to take the Uniform CPA Examination on the basis of (check one)

a. A baccalaureate degree with a major in accounting (Virginia Rules and Regulations Section 23.1)

b. 90 semester hours of college credit in specified courses (Virginia Rules and Regulations Section 23.2)

c. A baccalaureate or higher degree with 27 semester hours of accounting (Virginia Rules and Regulations Section 23.4)

9. SUBJECTS TO BE TAKEN: Auditing, Law, Theory, Practice

10. FEE SCHEDULE: Make check or money order payable to CPA Examination Services. Fees will not be refunded or transferred to future examinations. November 1987. \$70

11. SOCIAL SECURITY NUMBER, 12. DATE OF BIRTH, 13. EXAMINATION LOCATION REQUEST

14. DATE OF EXAMINATION: November 4-6, 1987

15. Have you ever been convicted of a misdemeanor? (If yes, attach detailed information) YES NO

16. Have you ever been convicted of a felony? (If yes, attach detailed information) YES NO

FOR OFFICE USE ONLY: Fee, Transfer, O/S, Other

VIRGINIA REEXAMINATION APPLICATION FOR UNIFORM CPA EXAMINATION

Read "Information for Applicants" which you received with the application before completing this form. Record the information requested in ink or typewriter. Where boxes are provided, print one letter or digit in each box. Make a check mark where appropriate. Leave a box empty between words; omit punctuation, abbreviate as necessary.

1. NAME: FIRST, MIDDLE, LAST, MAIDEN

2. RESIDENCE ADDRESS AND TELEPHONE: This should be the address and telephone number of which you can be reached until the examination grades are reported. Send any change in writing to CPA Examination Services together with your name and social security number.

ADDRESS, CITY, STATE, ZIP, AREA CODE-TELEPHONE NUMBER

3. BUSINESS ADDRESS AND TELEPHONE

NAME OF ORGANIZATION, ADDRESS, CITY, STATE, ZIP, AREA CODE-TELEPHONE NUMBER

4. Is the first time you are applying for the Uniform CPA Examination in Virginia? YES NO

5. Have you ever been denied permission to take the Uniform CPA Examination by a reason other than not meeting the educational requirements? (If yes, attach career status information a career on file) YES NO

6. Are you ever been denied permission to take the Uniform CPA Examination for a reason other than not meeting the educational requirements? YES NO

7. FEE SCHEDULE: Make check or money order payable to CPA Examination Services. Fees will not be refunded or transferred to future examinations. November 1987. \$70

8. SOCIAL SECURITY NUMBER, 9. EXAMINATION LOCATION REQUEST

10. DATE OF EXAMINATION: November 4-6, 1987

11. Have you ever been convicted of a misdemeanor? (If yes, attach detailed information) YES NO

12. Have you ever been convicted of a felony? (If yes, attach detailed information) YES NO

13. Under penalty of perjury, I certify to the truth and accuracy of all statements, answers and representations made in the foregoing application, including all supplementary statements I agree that in the event my examination packet are lost, any claim I may have will be limited to the examination fee paid by me.

14. DATE OF EXAMINATION: November 4-6, 1987

15. Have you ever been convicted of a misdemeanor? (If yes, attach detailed information) YES NO

16. Have you ever been convicted of a felony? (If yes, attach detailed information) YES NO

FOR OFFICE USE ONLY: Fee, Transfer, O/S, Other

Proposed Regulations

FEE: \$25.00
 (Make check payable to the Treasurer of Virginia)

VIRGINIA STATE BOARD OF ACCOUNTANCY
 DEPARTMENT OF COMMERCE
 3600 WEST BROAD STREET
 RICHMOND, VA 23230-4917
 (804) 237-8505
 TOLL FREE: 1 (800) 552-3016

APPLICATION FOR ORIGINAL CERTIFICATION AS A CPA IN VIRGINIA

PLEASE TYPE OR PRINT

NAME: _____
 (Use name as you wish it to appear on certificate)

Social Security Number _____

ADDRESS: _____
 _____ (ZIP) _____ Telephone Number _____

BUSINESS ADDRESS: _____
 (Please include firm name) _____ Telephone Number _____

Date of completion of Uniform CPA Examination _____ Give Month and Year _____

Date of completion of Ethics Examination _____ Month and Year _____
 (Attach copy of grade sheet or certificate)

Have you ever been convicted of a felony? Yes _____ No _____ or misdemeanor? Yes _____ No _____
 If answer to either questions is yes, attach full details.

I hereby declare that I am not now in the practice of public accountancy on my own and that I will not do so in Virginia without first making application for license to the Virginia State Board of Accountancy, completing the prescribed continuing professional education courses, if required, and paying the required fee.

Date _____ Signature _____
 AFFIDAVIT: _____
 State of _____
 City/County of _____
 This statement was signed and sworn to before me this _____ day of _____ 19 _____

Notary Public
 My commission expires _____

FOR BOARD USE ONLY
 Certificate Number _____ Staff approval _____ Board Approval _____
 Date _____ Date _____ Date _____

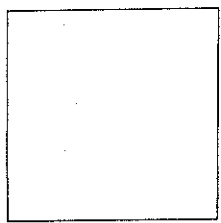
7/86

17. EDUCATION (See information sheet for educational requirements)
 Check one: Education is complete Education is in progress
 A transcript(s) is required if your education is complete. If education is not complete, all transcript(s) and a Certificate of Enrollment must be attached.

NAME OF COLLEGE OR UNIVERSITY	DATES ENROLLED	DEGREE (MAJOR & MINOR)	DATE OF DEGREE

18. References (Five names are required). Each of the undersigned certifies to be personally acquainted with, but not related to the applicant, believes the applicant to be of good moral character, and unreservedly recommends the applicant to the Virginia Board of Accountancy.

PRINT NAME	SIGNATURE	ADDRESS (INCLUDING STREET & CITY)	W/CPA SINCE



19. Glue or staple one recent passport type photograph (within these months) approximately 2" x 2" head and shoulders only (not a photocopy) in the space provided at the right.
 Sign your name at the bottom of the photograph not across the features. Enclose a duplicate of that photograph to be turned in with your entry. Indent the name on the back of the duplicate photograph.

20. Under penalty of perjury, I certify that I am of good moral character; that the picture of me attached to the application is of recent date and of reasonable likeness; that all the representations contained herein or attached are, to the best of my knowledge, true and correct; that I have read the full text of the Virginia CPA Statutes and the Rules and Regulations of the Virginia State Board of Accountancy and I agree to be bound by the same; that in the event my examination papers are lost, any claim I may have will be subject to the determination fee paid by me.

Signature of Applicant _____ Date _____
 State of _____ City/County of _____
 The statement was signed and sworn to before me this _____ day of _____ 19 _____

Notary Public
 My commission expires _____

Signed application must be mailed by the deadline. The envelope must bear a U.S. Postal Service postmark no later than September 4, 1986.
 Mail the application, fee, transcript(s) and Certificate of Enrollment, if applicable, photographs and questionnaire to:
 CPA Examination Services, Virginia Coordinator, 545 Fifth Avenue, New York, New York 10017

FEE: \$75.00
(Make check payable
to Treasurer of
Virginia)

COMMONWEALTH OF VIRGINIA
Department of Commerce
Virginia State Board of Accountancy
3600 West Broad Street
Richmond, Virginia 23230-4917
Telephone: (804) 257-8505
Toll Free: 1 (800) 552-3016

APPLICATION FOR LICENSE AS A CERTIFIED PUBLIC ACCOUNTANT IN VIRGINIA

MUST BE TYPED OR PRINTED

NAME Last First Middle Social Security Number
HOME ADDRESS Street number and name Telephone Number
City State Zip Code

EMPLOYER
BUSINESS ADDRESS Street number and name Telephone Number
City State Zip Code

Date CPA Examination Completed

AICPA Ethics Examination Completed

Have you ever been convicted of a felony? Yes No ;

or misdemeanor? Yes No

Former name if different when you were certified

FOR BOARD USE ONLY
Certificate Number Board Approval Conditions, if any:
Date Date:
Reviewed for Completeness Member:
By on Member:
By on

VSBA-5
7/86

ACCT7:Form.3

RECORD OF EXPERIENCE

(Refer to Section 2.14 of the Rules and Regulations on Experience Requirements)

A. AUDIT EXPERIENCE

FIRM NAME LOCATION to EXACT DATES
to

B. GENERAL ACCOUNTING EXPERIENCE

FIRM NAME LOCATION to EXACT DATES
to

C. TEACHING EXPERIENCE

INSTITUTION LOCATION to EXACT DATES

D. Credit under Section 2.15 requested? Yes No
Document with authenticated transcript showing master's degree if not previously submitted.

All experience, including current experience, must be documented by your employer(s) using Form VSBA-6. If necessary, the information given on the form may be amplified by an accompanying letter on letterhead, signed by the employer, and notarized.

I hereby apply to the Virginia State Board of Accountancy for a license as a Virginia certified public accountant and certify under oath that I have read, and agree to abide by, the Virginia CPA Law and the Rules and Regulations of the Board, that all statements contained in this application and the statement(s) thereto are correct, to the best of my knowledge and belief, and that I have withheld no information which might reasonably be expected to cause the Board to deny this application.

DATE SIGNATURE OF APPLICANT

AFFIDAVIT:

State of

City or County of

Subscribed and sworn to before me this day of , 19.

My commission expires Notary Public

Proposed Regulations

TO: DEPARTMENT OF COMMERCE
 VIRGINIA STATE BOARD OF ACCOUNTANCY
 3600 WEST BROAD STREET
 RICHMOND, VIRGINIA 23220-1917

FROM: NAME OF FIRM _____

RE: APPLICANT FOR LICENSURE _____

1. Exact dates of employment: From _____ To _____
2. Reason for leaving, if applicable: _____
3. Was employment full-time? Yes _____ No _____

If part-time, please indicated total number of hours worked: _____

4. Did the applicant's experience include emphasis on the independent examination and/or review of financial statements involving the applicable performance of either the audit or review functions? Yes _____ No _____

How many hours of the applicant's time was so engaged? _____

Were generally accepted auditing standards or, where applicable, standards for accounting and review services applied? Yes _____ No _____

Was third party reliance on the financial statements involved? Yes _____ No _____

List the types of organizations audited: _____

Describe the types of work assigned to the applicant: _____

5. Please describe the supervision provided the applicant. (Was the supervisor a CPA?) Yes _____ No _____

6. Please evaluate the quality of the applicant's performance: _____

/SBA-6

(LOWER)

7. Do you consider the applicant qualified by experience and demonstrated competence to become a CPA and to independently exercise the attest function? Yes _____ No _____

8. What were the applicant's job titles while with your organization? _____

Title	Time Period
_____	_____
_____	_____
_____	_____

9. If applicant is no longer with your organization, is there any reason you would be unwilling to rehire him/her should a suitable opening become available? _____

Signature of Employer _____

Title _____

Firm or Agency Name _____

Address _____

Zip _____

Telephone Number _____

Affidavit:

State of _____

City/County of _____

This statement was signed and sworn before me this _____ day of _____, 19____.

Notary Public _____

My Commission expires _____

DEPARTMENT OF COMMERCE
 VIRGINIA STATE BOARD OF ACCOUNTANCY
 3600 WEST BROAD STREET
 RICHMOND, VIRGINIA 23230-4917

FROM: _____
 NAME OF FIRM _____

RE: APPLICANT FOR LICENSURE _____

1. Exact dates of employment: From _____ To _____
 2. Reason for leaving, if applicable: _____
 3. Was employment full-time? Yes _____ No _____

If part-time, please indicated total number of hours worked: _____
 4. Did the applicant's experience include emphasis on the independent examination and/or review of financial statements involving the applicable performance of either the audit or review functions? Yes _____ No _____

How many hours of the applicant's time was so engaged? _____
 Were generally accepted auditing standards or, were applicable, standards for accounting and review services applied? Yes _____ No _____
 Was third party reliance on the financial statements involved? Yes _____ No _____
 List the types of organizations audited: _____

Describe the types of work assigned to the applicant: _____

5. Please describe the supervision provided the applicant. (Was the supervisor a CPA?) Yes _____ No _____

6. Please evaluate the quality of the applicant's performance: _____

45B-5 (OVER)

7. Do you consider the applicant qualified by experience and demonstrated competence to become a CPA and to independently exercise the attest function? Yes _____ No _____

8. What were the applicant's job titles while with your organization?

Title	Time Period
_____	_____
_____	_____
_____	_____

9. If applicant is no longer with your organization, is there any reason you would be unwilling to rehire him/her should a suitable opening become available?

Signature of Employer _____
 Title _____
 Firm or Agency Name _____
 Address _____
 Telephone Number _____
 Zip _____

Affiant: _____
 State of _____
 City/County of _____

This statement was signed and sworn before me this _____ day of _____, 19____.

Notary Public _____
 My Commission expires _____

FEE: \$90.00
(Make check payable to Treasurer of Virginia)

COMMONWEALTH OF VIRGINIA
Department of Commerce
Virginia State Board of Accountancy
3600 West Broad Street
Richmond, Virginia 23230-4917
Telephone: (804) 257-8505
Toll Free: 1 (800) 552-3016

APPLICATION FOR A VIRGINIA CPA CERTIFICATE BY ENDORSEMENT

MUST BE TYPED OR PRINTED

NAME _____
Last First Middle Social Security Number
HOME ADDRESS _____
Street number and name Telephone Number
City State Zip Code

EMPLOYER _____
BUSINESS ADDRESS _____
Street number and name Telephone Number
City State Zip Code

LENGTH OF RESIDENCE OR EMPLOYMENT IN VIRGINIA _____

PLACE OF BIRTH _____

Have you ever been convicted of a felony? Yes ___ No ___ or has your right to practice accountancy in any jurisdiction ever been suspended or revoked? Yes ___ No ___
If your answer is "YES," attach a statement providing all relevant details.

ORIGINAL CERTIFICATE NUMBER _____ ISSUED BY _____ ON _____
JURISDICTION DATE

(CPAs submit Form R-2 and VSBA-7. Non-certified applicants, submit Form VSBA-7 re Endorsement of Grades)

ETHICS:

Have you satisfactorily completed the AICPA Course in Ethics? Yes ___ No ___; if "YES" provide evidence; if "NO," see memorandum)

BOARD USE ONLY Date: _____

Reviewed By _____ Certificate No. _____ Member: _____ Member: _____

Date _____ Date of Issuance _____ Member: _____ Member: _____

VSBA R-1
ACCT7:FORM.1 2/85

RECORD OF EXPERIENCE

(Refer to Section 2.14 of the Rules and Regulations on Experience Requirements)

A. AUDIT EXPERIENCE

FIRM NAME _____ LOCATION _____ to _____
EXACT DATES
to _____

B. GENERAL ACCOUNTING EXPERIENCE

FIRM NAME _____ LOCATION _____ to _____
EXACT DATES
to _____

C. TEACHING EXPERIENCE

INSTITUTION _____ LOCATION _____ to _____
EXACT DATES

D. Credit under Section 2.15 requested? Yes ___ No ___
Document with authenticated transcript showing master's degree if not previously submitted.

All experience, including current experience, must be documented by your employer(s) using Form VSBA-6. If necessary, the information given on the form may be amplified by an accompanying letter on letterhead, signed by the employer, and notarized.

I hereby apply to the Virginia State Board of Accountancy for a license as a Virginia certified public accountant and certify under oath that I have read, and agree to abide by, the Virginia CPA Law and the Rules and Regulations of the Board, that all statements contained in this application and the statement(s) thereto are correct, to the best of my knowledge and belief, and that I have withheld no information which might reasonably be expected to cause the Board to deny this application.

DATE _____ SIGNATURE OF APPLICANT _____

AFFIDAVIT:

State of _____

City or County of _____

Subscribed and sworn to before me this ___ day of _____, 19___.

My commission expires _____
Notary Public



COMMONWEALTH of VIRGINIA

Department of Commerce

DAVID R. HATHCOCK
Director

3600 WEST BROAD STREET, RICHMOND, VIRGINIA 23230 - 4917

TELEPHONE: (804) 257-8500
TOLL FREE: 1 (800) 552-3018

TO: Roberta L. Banning, Assistant Director
Virginia State Board of Accountancy

FROM: _____
Name of Board transferring grades

I certify that _____ sat for the Uniform CPA Examination under our jurisdiction on the dates listed below, with the results noted:

<u>DATE</u>	<u>I.D. NO.</u>	<u>AUDITING</u>	<u>LAW</u>	<u>THEORY</u>	<u>PRACTICE</u>

These grades were furnished by the Advisory Grading Service of the AIPCA and we recommend that they be accepted.

CERTIFICATION

I certify that the foregoing statements are correct to the best of my knowledge and belief.

S E A L
O F
B O A R D

Signature of Authorized Person

Title

Date

VSBA-7
03-86



COMMONWEALTH of VIRGINIA

Department of Commerce

DAVID R. HATHCOCK
Director

3600 WEST BROAD STREET, RICHMOND, VIRGINIA 23230 - 4917

TELEPHONE: (804) 257-8500
TOLL FREE: 1 (800) 552-3018

TO: _____
Name of Board which issued applicant's original certificate

FROM: Roberta L. Banning, Assistant Director
Virginia State Board of Accountancy

The application for a Virginia CPA certificate submitted by _____ states that his or her original certificate was issued by your Board.

We would very much appreciate it if you would provide us with the following information.

1. Certification Number _____ was issued on _____, 19 _____.

2. The basis (or bases) for certification were those checked below:
- _____ a written examination prepared by this Board.
 - _____ grades reported by the Advisory Grading Service for the Uniform CPA Examination.
 - _____ Other

CERTIFICATION

I certify that the foregoing statements are correct to the best of my knowledge and belief.

S E A L
O F
B O A R D

Signature of Authorized Person

Title

Date

VSBA R-2
03-86

Proposed Regulations

VIRGINIA STATE BOARD OF ACCOUNTANCY

Department of Commerce
 3000 West Broad Street
 Richmond, Virginia 23230
 (804) 257-8505
 Toll Free: 1(800)552-3016

TO THE ENDORSER OF AN APPLICANT FOR A VIRGINIA CPA CERTIFICATE BY ENDORSEMENT

The applicant named below has applied for a Virginia CPA Certificate by Endorsement. You have been named as one of the applicant's endorsers, and the Virginia State Board of Accountancy would very much appreciate your frank answers to the following questions. Any other comments you care to make regarding this applicant would also be of value.

ENDORSEMENT

1. Applicant's name _____
2. What type of relationship have you had with applicant? (Business, professional or social?) _____
3. Number of years you have known applicant: _____
4. Is he/she of good moral character? _____
5. To the best of your knowledge, has he or she been employed as an accountant and, if so, for how long? _____
6. If the answer to Number 5 is in the affirmative, what is his or her professional reputation? _____
7. Are you aware of any facts which might negatively affect the Board's consideration of this application? If so, please specify. _____
8. Your comments or recommendations: _____

Continue on reverse side if necessary.

Signature _____
 Name (Printed) _____
 Address: _____
 Occupation: _____
 Date: _____

VSBA R-3
 3/86

VIRGINIA STATE BOARD OF ACCOUNTANCY

Department of Commerce
 3000 West Broad Street
 Richmond, Virginia 23230
 (804) 257-8505
 Toll Free: 1(800)552-3016

TO THE ENDORSER OF AN APPLICANT FOR A VIRGINIA CPA CERTIFICATE BY ENDORSEMENT

The applicant named below has applied for a Virginia CPA Certificate by Endorsement. You have been named as one of the applicant's endorsers, and the Virginia State Board of Accountancy would very much appreciate your frank answers to the following questions. Any other comments you care to make regarding this applicant would also be of value.

ENDORSEMENT

1. Applicant's name _____
2. What type of relationship have you had with applicant? (Business, professional or social?) _____
3. Number of years you have known applicant: _____
4. Is he/she of good moral character? _____
5. To the best of your knowledge, has he or she been employed as an accountant and, if so, for how long? _____
6. If the answer to Number 5 is in the affirmative, what is his or her professional reputation? _____
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VSBA R-3
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VSBA R-3
 3/86

VIRGINIA STATE BOARD OF ACCOUNTANCY

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3600 West Broad Street
Richmond, Virginia 23230
(804) 257-8505
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7. Are you aware of any facts which might negatively affect the Board's consideration of this application? If so, please specify. _____
8. Your comments or recommendations: _____

Continue on reverse side if necessary.

Signature _____
 Name (Printed) _____
 Address: _____

 Occupation: _____
 Date: _____

TO: DEPARTMENT OF COMMERCE
 VIRGINIA STATE BOARD OF ACCOUNTANCY
 3600 WEST BROAD STREET
 RICHMOND, VIRGINIA 23230-4917

FROM: _____
NAME OF FIRM

RE: _____
APPLICANT FOR LICENSURE

1. Exact dates of employment: From _____ To _____
2. Reason for leaving, if applicable: _____
3. Was employment full-time? Yes _____ No _____
If part-time, please indicated total number of hours worked: _____
4. Did the applicant's experience include emphasis on the independent examination and/or review of financial statements involving the applicable performance of either the audit or review functions? Yes _____ No _____
How many hours of the applicant's time was so engaged? _____
Were generally accepted auditing standards or, were applicable, standards for accounting and review services applied? Yes _____ No _____
Was third party reliance on the financial statements involved? Yes _____ No _____
List the types of organizations audited: _____

Describe the types of work assigned to the applicant: _____

5. Please describe the supervision provided the applicant. (Was the supervisor a CPA?) Yes _____ No _____

6. Please evaluate the quality of the applicant's performance: _____

TO: DEPARTMENT OF COMMERCE
 VIRGINIA STATE BOARD OF ACCOUNTANCY
 3600 WEST BROAD STREET
 RICHMOND, VIRGINIA 23220-4917

7. Do you consider the applicant qualified by experience and demonstrated competence to become a CPA and to independently exercise the attest function? Yes No

8. What were the applicant's job titles while with your organization?
 Title _____

 Time Period _____

FROM: NAME OF FIRM _____

RE: APPLICANT FOR LICENSURE _____

1. Exact dates of employment: From _____ To _____
2. Reason for leaving, if applicable: _____
3. Was employment full-time? Yes No

9. If applicant is no longer with your organization, is there any reason you would be unwilling to rehire him/her should a suitable opening become available?

If part-time, please indicated total number of hours worked: _____

4. Did the applicant's experience include emphasis on the independent examination and/or review of financial statements involving the applicable performance of either the audit or review functions? Yes No

How many hours of the applicant's time was so engaged? _____

Were generally accepted auditing standards or, were applicable, standards for accounting and review services applied? Yes No

Was third party reliance on the financial statements involved? Yes No

List the types of organizations audited:

Describe the types of work assigned to the applicant:

5. Please describe the supervision provided the applicant. (Was the supervisor a CPA?) Yes No

6. Please evaluate the quality of the applicant's performance:

Affiant:
 State of _____
 City/County of _____
 Signature of Employer _____
 Title _____
 Firm or Agency Name _____
 Address _____
 Telephone Number _____
 Zip _____

This statement was signed and sworn before me this _____ day of _____, 19____.

Notary Public _____
 My Commission expires _____

VSBA-6 (OVER)

7. Do you consider the applicant qualified by experience and demonstrated competence to become a CPA and to independently exercise the attest function? Yes _____ No _____

8. What were the applicant's job titles while with your organization?

Title	Time Period
_____	_____
_____	_____
_____	_____

9. If applicant is no longer with your organization, is there any reason you would be unwilling to rehire him/her should a suitable opening become available?

Signature of Employer _____

Title _____

Firm or Agency Name _____

Address _____

Zip _____

() Telephone Number _____

Affidavit:

State of _____

City/County of _____

This statement was signed and sworn before me this _____ day of _____, 19____.

Notary Public _____

My Commission expires _____

FEE: \$50.00
(Make check payable to Treasurer of Virginia)

COMMONWEALTH OF VIRGINIA
Department of Commerce
Virginia State Board of Accountancy
3600 West Broad Street
Richmond, Virginia 23230-4917
Telephone: (804) 257-8505
Toll Free: 1 (800) 552-3016

APPLICATION FOR REGISTRATION UNDER THE PROFESSIONAL DESIGNATION
"CERTIFIED PUBLIC ACCOUNTANT(S)" OR "PUBLIC ACCOUNTANTS"
AS A CORPORATION.

CORPORATE NAME _____

ADDRESS OF MAIN OFFICE _____
Number and Street City or Town State Zip

MAILING ADDRESS _____

OFFICERS OF CORPORATION

Name of Each Officer	Title	Legal Residence Address in Full	Va. Cert. No.

BOARD OF DIRECTORS

Name of Each Director	Legal Residence Address in Full	No. Shares Stock Owned	Va. Cert. No.

THE FOLLOWING QUESTIONS MUST BE ANSWERED IN DETAIL:

- Number of Shares of Stock Authorized to be Issued _____
- Number of Shares of Stock Issued and Outstanding _____

LIST BELOW THE NAMES OF EACH OWNER OR CAPITAL STOCK IN THE CORPORATION

Name of Each Owner	Legal Residence Address in Full	No. Shares Stock Owned	Va. Cert. No.

TOTAL (Must agree with Item 2 above) _____

CERTIFICATION

I, _____, president of the aforementioned corporation, do solemnly swear and affirm that the answers herein are true to the best of my knowledge and belief, that Chapter 5 of Title 54 and Chapter 7 of Title 13.1, Code of Virginia, as amended, and all applicable rules and regulations have been adhered to, and that this application is made for the purpose of including the issuance of authority to practice under the professional designation "Certified Public Accountant(s)" or "Public Accountant(s)" as a corporation.

President

Attested to before me, the secretary of the corporation, this _____ day
of _____, 19 _____.

Secretary

AFFIDAVIT

STATE OF _____ ss.
COUNTY OR CITY OF _____

Sworn and subscribed to before me at _____ this _____ day
of _____, 19 _____.

Notary Public

PLEASE NOTE: Refer to Chapter 5 of Title 54 (Section 54-91.1) and Chapter 7 of Title 13.1, (Sections 13.1-542 through 13.1-556) Code of Virginia, 1950, as amended, and to the rules and regulations dealing with Professional Practice and Corporate Practice.

FOR STATE BOARD OF ACCOUNTANCY USE ONLY

Corporation organized under Virginia Law? _____

All Directors, Shareholders and Chief Executive Officers hold valid Virginia certificates? _____



COMMONWEALTH of VIRGINIA

Department of Commerce

DAVID R. HATHCOCK
Director

3600 WEST BROAD STREET, RICHMOND, VIRGINIA 23233 - 4917

TELEPHONE: (804) 257-6503
TOLL FREE: 1 (800) 552-0316

MEMORANDUM

TO: CPA Candidates
FROM: Roberta L. Banning, Assistant Director
Virginia State Board of Accountancy
SUBJECT: Ethics Examination

Attached is an order form for AICPA's "Professional Ethics for Certified Public Accountants," a self-study course required of all candidates for a Virginia original or reciprocal certificate. A grade of at least 90 must be achieved in order for you to be eligible for certification.

The Institute is responsible for grading the self-administered exam, the results of which will then be sent to you and to the Board.

The course is not required prior to taking the Uniform CPA Examination, but evidence of its satisfactory completion must be provided to the Board for certification and licensure.

R. L. B.

RLB:pjs

Attachment

VS&A
A-8
2/86

ORDER FORM

TO: American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, New York 10036

Enclosed is my payment for the self-study course and examination,
"Professional Ethics for Certified Public Accountants -- No. 723992."

I understand that my payment covers the cost of the course materials, examination grading, and notification of successful completion to me and to the Virginia State Board of Accountancy.

My check in the amount of \$45.00, made payable to the AICPA, is enclosed.

NAME: _____
ADDRESS: _____
CITY: _____
STATE: _____

Code 15543

STATE AIR POLLUTION CONTROL BOARD

Title of Regulation: VR 120-01. Regulations for the Control and Abatement of Air Pollution (Parts V and VI).

Statutory Authority: § 10-17.18(b) of the Code of Virginia.

Public Hearing Date: October 19, 1987 - 10 a.m.
(See Calendar of Events section for additional information)

Summary:

The regulation amendments concern provisions covering documents incorporated by reference. The amendments update Appendix M which lists all of the nonstatutory documents (those other than federal and state laws and regulations) and the primary federal regulations incorporated by reference. This list includes the name, reference number and edition for each document. The edition is being updated to reflect the latest available. Also included for each document is the name and address of the organization from which it may be obtained. The amendments also update Rule 5-5 and Rule 6-1 which contain the list of federally promulgated New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAPS) being incorporated by reference.

VR 120-01. Regulations for the Control and Abatement of Air Pollution (Parts V and VI).

PART V. ENVIRONMENTAL PROTECTION AGENCY STANDARDS OF PERFORMANCE FOR NEW STATIONARY SOURCES (RULE 5-5)

§ 120-05-0501. General.

The U.S. Environmental Protection Agency Regulations on Standards of Performance for New Stationary Sources (40 CFR Part 60) designated in § 120-05-0502 are incorporated by reference into these regulations amended by the word or phrase substitutions given in § 120-05-0503. The complete text of the subparts in § 120-05-0502 incorporated herein by reference is contained in 40 CFR Part 60 (see Appendix M). The 40 CFR section numbers appearing under each subpart in § 120-05-0502 identify the specific provisions of the subpart incorporated by reference.

§ 120-05-0502. Designated standards of performance.

Subpart A - General Provisions.

40 CFR 60.1, 40 CFR 60.2, 40 CFR 60.7, 40 CFR 60.8, 40 CFR 60.11, 40 CFR 60.13 thru 40 CFR 60.15, 40 CFR 60.18

(applicability, definitions, notification and record keeping performance tests, compliance, monitoring requirements, modification, and reconstruction, general control device requirements)

Subpart D - Fossil-Fuel Fired Steam Generators for which Construction is Commenced after August 17, 1971.

40 CFR 60.40 thru 40 CFR 60.46

(fossil-fuel fired steam generating units of more than 250 million Btu per hour heat input rate and fossil-fuel fired and wood-residue fired steam generating units capable of firing fossil fuel at a heat input rate of more than 250 million Btu per hour)

Subpart Da - Electric Utility Steam Generating Units for which Construction is Commenced after September 18, 1978.

40 CFR 60.14a thru 40 CFR 60.49a

(electric utility steam generating units capable of combusting more than 250 million Btu per hour heat input of fossil fuel (either alone or in combination with any other fuel); electric utility combined cycle gas turbines capable of combusting more than 250 million Btu per hour heat input in the steam generator)

Subpart E - Incinerators.

40 CFR 60.50 thru 40 CFR 60.54

(units of more than 50 tons per day charging rate)

Subpart F - Portland Cement Plants.

40 CFR 60.60 thru 40 CFR 60.64

(kiln, clinker cooler, raw mill system, finish mill system, raw mill dryer, raw material storage, clinker storage, finished product storage, conveyor transfer points, bagging and bulk loading and unloading systems)

Subpart G - Nitric Acid Plants.

40 CFR 60.70 thru 40 CFR 60.74 (nitric acid production units)

Subpart H - Sulfuric Acid Plants.

40 CFR 60.80 thru 40 CFR 60.85

(sulfuric acid production units)

Subpart I - Asphalt Concrete Plants Hot Mix Asphalt Facilities.

Proposed Regulations

40 CFR 60.90 thru 40 CFR 60.93

(dryers; systems for screening, handling, storing and weighing hot aggregate; systems for loading, transferring and storing mineral filler; systems for mixing asphalt concrete; and the loading, transfer and storage systems associated with emission control systems)

Subpart J - Petroleum Refineries.

40 CFR 60.100 thru 40 CFR 60.106

(fluid catalytic cracking unit catalyst regenerators, fluid catalytic cracking unit incinerator-waste heat boilers and fuel gas combustion devices)

Subpart K - Storage Vessels for Petroleum Liquids Constructed after June 11, 1973 and Prior to May 19, 1978.

40 CFR 60.110 thru 40 CFR 60.113

(storage vessels with a capacity greater than 40,000 gallons)

Subpart Ka - Storage Vessels for Petroleum Liquids Constructed after May 18, 1978.

40 CFR 60.110a thru 40 CFR 60.115a

(storage vessels with a capacity greater than 40,000 gallons)

Subpart L - Secondary Lead Smelters.

40 CFR 60.120 thru 40 CFR 60.123

(pot furnaces of more than 550 lb charging capacity, blast (cupola) furnaces and reverberatory furnaces)

Subpart M - Secondary Brass and Bronze Ingot Production Plants.

40 CFR 60.130 thru 40 CFR 60.133

(reverberatory and electric furnaces of 2,205 lb or greater production capacity and blast (cupola) furnaces of 550 lb per hr or greater production capacity)

Subpart N - Iron and Steel Plants Basic Oxygen Process Furnaces for which Construction is Commenced after June 11, 1973: Primary Emissions.

40 CFR 60.140 thru 40 CFR 60.144

(basic oxygen process furnace)

Subpart Na - Basic Oxygen Process Steelmaking

Facilities for which Construction is Commenced after January 20, 1983: Secondary Emissions.

40 CFR 60.140a thru 40 CFR 60.145a

(facilities in an iron and steel plant: top-blown BOPFs and hot metal transfer stations and skimming stations used with bottom-blown or top-blown BOPFs.

Subpart O - Sewage Treatment Plants.

40 CFR 60.150 thru 40 CFR 60.154

(incinerators that combust wastes containing more than 10 percent sewage sludge (dry basis) produced by municipal sewage treatment plants or incinerators that charge more than 2,205 lb per day municipal sewage sludge (dry basis))

Subpart P - Primary Copper Smelters.

40 CFR 60.160 thru 40 CFR 60.166

(dryer, roaster, smelting furnace and copper converter)

Subpart Q - Primary Zinc Smelters.

40 CFR 60.170 thru 40 CFR 60.176

(roaster and sintering machine)

Subpart R - Primary Lead Smelters.

40 CFR 60.180 thru 40 CFR 60.186

(sintering machine, sintering machine discharge end, blast furnace, dross reverberatory furnace, electric smelting furnace and converter)

Subpart S - Primary Aluminum Reduction Plants.

40 CFR 60.190 thru 40 CFR 60.195

(potroom groups and anode bake plants)

Subpart T - Phosphate Fertilizer Industry: Wet-Process Phosphoric Acid Plants.

40 CFR 60.200 thru 40 CFR 60.204

(reactors, filters, evaporators and hotwells)

Subpart U - Phosphate Fertilizer Industry: Superphosphoric Acid Plants.

40 CFR 60.210 thru 40 CFR 60.214

(evaporators, hotwells, acid sumps and cooling tanks)

Subpart V - Phosphate Fertilizer Industry: Diammonium Phosphate Plants.

40 CFR 60.220 thru 40 CFR 60.224

(reactor, granulators, dryers, coolers, screens and mills)

Subpart W - Phosphate Fertilizer Industry: Triple Superphosphate Plants.

40 CFR 60.230 thru 40 CFR 60.234

(mixers, curing belts (dens), reactors, granulators, dryers, cookers, screens, mills and facilities which store run-of-pile triple superphosphate)

Subpart X - Phosphate Fertilizer Industry: Granular Triple Superphosphate Storage Facilities.

40 CFR 60.240 thru 40 CFR 60.244

(storage or curing piles, conveyors, elevators, screens and mills)

Subpart Y - Coal Preparation Plants.

40 CFR 60.250 thru 40 CFR 60.254

(plants which process more than 200 tons per day: thermal dryers, pneumatic coal-cleaning equipment (air tables), coal processing and conveying equipment (including breakers and crushers), coal storage systems and coal transfer and loading systems)

Subpart Z - Ferroalloy Production Facilities.

40 CFR 60.260 thru 40 CFR 60.266

(electric submerged arc furnaces which produce silicon metal, ferrosilicon, calcium silicon, silicomanganese zirconium, ferrochrome silicon, silvery iron, high-carbon ferrochrome, charge chrome, standard ferromanganese, silicomanganese, ferromanganese silicon or calcium carbide; and dust-handling equipment)

Subpart AA - Steel Plants: Electric Arc Furnaces Constructed after October 21, 1974 and on or before August 17, 1983.

40 CFR 60.270 thru 40 CFR ~~60.275~~ 60.276

(electric arc furnaces and dust-handling equipment)

Subpart AAa - Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed after August 17, 1983.

40 CFR 60.270a thru 40 CFR 60.276a

(facilities in steel plants that produce carbon, alloy, or specialty steels: electric arc furnaces, argon-oxygen decarburization vessels, and dust-handling systems)

Subpart BB - Kraft Pulp Mills.

40 CFR 60.280 thru 40 CFR 60.285

(digester system, brown stock washer system, multiple effect evaporator system, black liquor oxidation system, recovery furnace, smelt dissolving tank, lime kilns, condensate stripper and kraft pulping operations)

Subpart CC - Glass Manufacturing Plants.

40 CFR 60.290 thru 40 CFR 60.296

(glass melting furnace)

Subpart DD - Grain Elevators.

40 CFR 60.300 thru 40 CFR 60.304

(grain terminal elevators/grain storage elevators: truck unloading stations, truck loading stations, barge and ship unloading stations, barge and ship loading stations, railcar unloading stations, railcar loading stations, grain dryers and all grain handling operations)

Subpart EE - Metal Furniture Surface Coating Operations.

40 CFR 60.310 thru 40 CFR 60.316

(metal furniture surface coating operations in which organic coatings are applied)

Subpart FF - (Reserved)

Subpart GG - Stationary Gas Turbines.

40 CFR 60.330 thru 40 CFR 60.335

(stationary gas turbines with a heat input at peak load equal to or greater than 10 million Btu per hour, based on the lower heating value of the fuel fired)

Subpart HH - Lime Manufacturing Plants.

40 CFR 60.340 thru 40 CFR 60.344

(each rotary lime kiln)

Subparts II thru JJ - (Reserved)

Subpart KK - Lead-Acid Battery Manufacturing Plants.

Proposed Regulations

40 CFR 60.370 thru 40 CFR 60.374

(lead-acid battery manufacturing plants that produce or have the design capacity to produce in one day (24 hours) batteries containing an amount of lead equal to or greater than 6.5 tons: grid casting facilities, paste mixing facilities, three-process operation facilities, lead oxide manufacturing facilities, lead reclamation facilities, and other lead-emitting operations)

Subpart LL - Metallic Mineral Processing Plants.

40 CFR 60.380 thru 40 CFR 60.386

(each crusher and screen in open-pit mines; each crusher, screen, bucket elevator, conveyor belt transfer point, thermal dryer, product packaging station, storage bin, enclosed storage area, truck loading station, truck unloading station, railcar loading station, and railcar unloading station at the mill or concentrator with the following exceptions. All facilities located in underground mines are exempted from the provisions of this subpart. At uranium ore processing plants, all facilities subsequent to and including the beneficiation of uranium ore are exempted from the provisions of this subpart)

Subpart MM - Automobile and Light Duty Truck Surface Coating Operations.

40 CFR 60.390 thru 40 CFR 60.397

(prime coat operations, guide coat operations, and top-coat operations)

Subpart NN - Phosphate Rock Plants.

40 CFR 60.400 thru 40 CFR 60.404

(phosphate rock plants which have a maximum plant production capacity greater than 4 tons per hour: dryers, calciners, grinders, and ground rock handling and storage facilities, except those facilities producing or preparing phosphate rock solely for consumption in elemental phosphorous production)

Subpart OO - (Reserved)

Subpart PP - Ammonium Sulfate Manufacture.

40 CFR 60.420 thru 40 CFR 60.424

(ammonium sulfate dryer within an ammonium sulfate manufacturing plant in the caprolactum by-product, synthetic, and coke oven by-product sectors of the ammonium sulfate industry)

Subpart QQ - Graphic Arts Industry: Publication Rotogravure Printing.

40 CFR 60.430 thru 40 CFR 60.435

(publication rotogravure printing presses, except proof presses)

Subpart RR - Pressure Sensitive Tape and Label Surface Coating Operations.

40 CFR 60.440 thru 40 CFR 60.447

(pressure sensitive tape and label material coating lines)

Subpart SS - Industrial Surface Coating: Large Appliances.

40 CFR 60.450 thru 40 CFR 60.456

(surface coating operations in large appliance coating lines)

Subpart TT - Metal Coil Surface Coating Operations.

40 CFR 60.460 thru 40 CFR 60.466

(metal coil surface coating operations: each prime coat operation, each finish coat operation, and each prime and finish coat operation combined when the finish coat is applied wet on wet over the prime coat and both coatings are cured simultaneously)

Subpart UU - Asphalt Processing and Asphalt Roofing Manufacturing.

40 CFR 60.470 thru 40 CFR 60.474

(each saturator and each mineral handling and storage facility at asphalt roofing plants; and each asphalt storage tank and each blowing still at asphalt processing plants, petroleum refineries, and asphalt roofing plants)

Subpart VV - Equipment Leaks of Volatile Organic Compounds in the Synthetic Organic Chemicals Manufacturing Industry.

40 CFR 60.480 thru 40 CFR 60.489

(all equipment within a process unit in a synthetic organic chemicals manufacturing plant)

Subpart WW - Beverage Can Surface Coating Industry.

40 CFR 60.490 thru 40 CFR 60.496

(beverage can surface coating lines: each exterior base coat operation, each overvarnish coating operation, and each inside spray coating operation)

Subpart XX - Bulk Gasoline Terminals.

Proposed Regulations

40 CFR 60.500 thru 40 CFR 60.506

(total of all loading racks at a bulk gasoline terminal which deliver product into gasoline tank trucks)

Subparts YY thru EEE - (Reserved)

Subpart FFF - Flexible Vinyl and Urethane Coating and Printing.

40 CFR 60.580 thru 40 CFR 60.585

(each rotogravure printing line used to print or coat flexible vinyl or urethane products)

Subpart GGG - Equipment Leaks of VOC in Petroleum Refineries.

40 CFR 60.590 thru 40 CFR ~~60.590~~ 60.593

(each compressor, valve, pump pressure relief device, sampling connection system, open-ended valve or line, and flange or other connector in VOC service)

Subpart HHH - Synthetic Fiber Production Facilities

40 CFR 60.600 thru 40 CFR 60.604

(each solvent-spun synthetic fiber process that produces more than 500 megagrams of fiber per year)

Subpart III - (Reserved)

Subpart JJJ - Petroleum Dry Cleaners.

40 CFR 60.620 thru 40 CFR 60.625

(facilities located at a petroleum dry cleaning plant with a total manufacturers' rated dryer capacity equal to or greater than 84 pounds: petroleum solvent dry cleaning, dryers, washers, filters, stills, and settling tanks)

Subpart KKK - Equipment Leaks of VOC From Onshore Natural Gas Processing Plants.

40 CFR 60.630 thru 40 CFR 60.636

(each compressor in VOC service or in wet gas service; each pump, pressure relief device, open-ended valve or line, valve, and flange or other connector that is in VOC service or in wet gas service, and any device or system required by this subpart)

Subpart LLL - Onshore Natural Gas Processing: Sulfur Dioxide Emissions.

40 CFR 60.640 thru 40 CFR 60.648

(facilities that process natural gas: each sweetening unit, and each sweetening unit followed by a sulfur recovery unit)

Subpart ~~LLL thru OOO~~ MMM thru NNN - (Reserved)

Subpart OOO - Nonmetallic Mineral Processing Plants.

40 CFR 60.670 thru 40 CFR 60.676

(facilities in fixed or portable nonmetallic mineral processing plants: each crusher, grinding mill, screening operation, bucket elevator, belt conveyor, bagging operation, storage bin, enclosed truck or railcar loading station)

Subpart PPP - Wool Fiberglass Insulation Manufacturing Plants.

40 CFR 60.680 thru 40 CFR 60.685

(each rotary spin wool fiberglass insulation manufacturing line)

Appendix A - Reference Methods.

Method 1 - Sample and velocity traverses for stationary sources.

Method 2 - Determination of stack gas velocity and volumetric flow rate (type S pitot tube).

Method 2A - Direct measurement of gas volume through pipes and small ducts.

Method 2B - Determination of exhaust gas volume flow rate from gasoline vapor incinerators.

Method 3 - Gas analysis for carbon dioxide, oxygen, excess air, and dry molecular weight.

Method 3A - Determination of oxygen and carbon dioxide concentrations in emissions from stationary sources (instrumental analyzer procedure).

Method 4 - Determination of moisture content in stack gases.

Method 5 - Determination of particulate emissions from stationary sources.

Method 5A - Determination of particulate emissions from the asphalt processing and asphalt roofing industry.

Method 5D - Determination of particulate matter emissions from positive pressure fabric filters.

Method 5E - Determination of particulate emissions

Proposed Regulations

from the wool fiberglass insulation manufacturing industry.

Method 6 - Determination of sulfur dioxide emissions from stationary sources.

Method 6A - Determination of sulfur dioxide, moisture, and carbon dioxide emissions from fossil fuel combustion sources.

Method 6B - Determination of sulfur dioxide and carbon dioxide daily average emissions from fossil fuel combustion sources.

Method 6C - Determination of sulfur dioxide emissions from stationary sources (instrumental analyzer procedure).

Method 7 - Determination of nitrogen oxide emissions from stationary sources.

Method 7A - Determination of nitrogen oxide emissions from stationary sources - ion chromatographic method.

Method 7B - Determination of nitrogen oxide emissions from stationary sources (ultraviolet spectrophotometry).

Method 7C - Determination of nitrogen oxide emissions from stationary sources - alkaline-permanganate/colorimetric method.

Method 7D - Determination of nitrogen oxide emissions from stationary sources - alkaline-permanganate/ion colorimetric method.

Method 7E - Determination of nitrogen oxides emissions from stationary sources (instrumental analyzer procedure).

Method 8 - Determination of sulfuric acid mist and sulfur dioxide emissions from stationary sources.

Method 9 - Visual determination of the opacity of emissions from stationary sources.

Alternate Method 1 - Determination of the opacity of emissions from stationary sources remotely by lidar.

Method 10 - Determination of carbon monoxide emissions from stationary sources.

Method 11 - Determination of hydrogen sulfide content of fuel gas streams in petroleum refineries.

Method 12 - Determination of inorganic lead emissions from stationary sources.

Method 13A - Determination of total fluoride

emissions from stationary sources - SPADNS zirconium lake method.

Method 13B - Determination of total fluoride emissions from stationary sources - specific ion electrode method.

Method 14 - Determination of fluoride emissions from potroom roof monitors of primary aluminum plants.

Method 15 - Determination of hydrogen sulfide, carbonyl sulfide, and carbon disulfide emissions from stationary sources.

Method 16 - Semicontinuous determination of sulfur emissions from stationary sources.

Method 16A - Determination of total reduced sulfur emissions from stationary sources (impinger technique).

Method 17 - Determination of particulate emissions from stationary sources (instack filtration method).

Method 18 - Measurement of gaseous organic compound emissions by gas chromatography.

Method 19 - Determination of sulfur dioxide removal efficiency and particulate, sulfur dioxide and nitrogen oxides emission rates and electric utility steam generators.

Method 20 - Determination of nitrogen oxides, sulfur dioxide, and oxygen emissions from stationary gas turbines.

Method 21 - Determination of volatile organic compounds leaks.

Method 22 - Visual determination of fugitive emissions from material processing sources and smoke emissions from flares.

Method 24 - Determination of volatile matter content, water content, density, volume solids, and weight solids of surface coatings.

Method 24A - Determination of volatile matter content and density of printing inks and related coatings.

Method 25 - Determination of total gaseous nonmethane organic emissions as carbon.

Method 25A - Determination of total gaseous organic concentration using a flame ionization analyzer.

Method 25B - Determination of total gaseous organic concentration using a nondispersive infrared analyzer.

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Method 27 - Determination of vapor tightness of gasoline delivery tank using pressure-vacuum test.

Appendix B - Performance specification.

Performance Specification 1 - Specifications and test procedures for opacity continuous emission monitoring systems in stationary sources.

Performance Specification 2 - Specifications and test procedures for sulfur dioxide and nitric oxides continuous emission monitoring systems in stationary sources.

Performance Specification 3 - Specifications and test procedures for oxygen and carbon dioxide continuous emission monitoring systems in stationary sources.

Performance Specification 4 - Specifications and test procedures for carbon monoxide continuous emission monitoring systems in stationary sources.

Performance Specification 5 - Specifications and test procedures for TRS continuous emission monitoring system in stationary sources.

Appendix C - Determination of Emission Rate Change.

§ 120-05-0503. Word or phrase substitutions.

In all the standards designated in § 120-05-0502 substitute:

- A. Owner or other person for owner or operator.
- B. Board for Administrator.
- C. Board for U.S. Environmental Protection Agency (except in references).
- D. § 120-05-03 for § 60.8.
- E. § 120-05-05 C of § 60.7(c).

PART VI. ENVIRONMENTAL PROTECTION AGENCY NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS (RULE 6-1).

§ 120-06-0101. General.

The Environmental Protection Agency (EPA) Regulations on National Emission Standards for Hazardous Air Pollutants (40 CFR Part 61) designated in § 120-06-0102 are, unless indicated otherwise, incorporated by reference into these regulations as amended by the word or phrase substitutions given in § 120-06-0103. The complete text of the subparts in § 120-06-0102 incorporated herein by reference is contained in 40 CFR Part 61 (see Appendix M). The 40 CFR section numbers appearing under each

subpart in § 120-06-0102 identify the specific provisions of the subpart incorporated by reference.

§ 120-06-0102. Designated emission standards.

Subpart A - General Provisions.

40 CFR 61.01 thru 40 CFR 61.02 and 40 CFR 61.12 thru 40 CFR 61.15

(applicability, and definitions, compliance, emission tests, monitoring, modification)

Subpart B - Radon-222 Emissions from Underground Uranium Mines.

40 CFR 61.20 thru 40 CFR 61.28

(NOTE: Authority to enforce the above standard is being retained by EPA and it is not incorporated by reference into these regulations.)

Subpart C - Beryllium.

40 CFR 61.30 thru 40 CFR 61.34

Subpart D - Beryllium Rocket Motor Firing.

40 CFR 61.40 thru 40 CFR 61.44

Subpart E - Mercury.

40 CFR 61.50 thru 40 CFR 61.55

Subpart F - Vinyl Chloride.

40 CFR 61.60 thru 40 CFR 61.71

Subpart G - (Reserved)

Subpart H - Radionuclide Emissions From Department of Energy (DOE) Facilities.

40 CFR 61.20 thru 40 CFR 61.98

(NOTE: Authority to enforce the above standard is being retained by EPA and it is not incorporated by reference into these regulations.)

Subpart I - Radionuclide Emissions From Facilities Licensed by the Nuclear Regulatory Commission (NRC) and Federal Facilities Not Covered by Subpart H.

40 CFR 61.100 thru 40 CFR 61.108

(NOTE: Authority to enforce the above standard is being retained by EPA and it is not incorporated by reference into these regulations.)

Subpart J - Equipment Leaks (Fugitive Emission

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Sources) of Benzene.

40 CFR 61.110 thru 40 CFR 61.112

Subpart K - Radionuclide Emissions From Elemental Phosphorus Plants.

40 CFR 61.120 thru 40 CFR 61.126

(NOTE: Authority to enforce the above standard is being retained by EPA and it is not incorporated by reference into these regulations.)

Subpart L - (Reserved)

Subpart M - Asbestos.

40 CFR 61.140 thru 40 CFR 61.156

Subparts N thru U - (Reserved)

Subpart V - Equipment Leaks (Fugitive Emission Sources).

40 CFR 61.240 thru 40 CFR 61.247

Appendix B - Test Methods.

Method 101 - Determination of particulate and gaseous mercury emissions from chlor-alkali plants - air streams.

Method 101A - Determination of particulate and gaseous mercury emissions from sewage sludge incinerators.

Method 102 - Determination of particulate and gaseous mercury emissions from chlor-alkali plants - hydrogen streams.

Method 103 - Beryllium screening method.

Method 104 - Determination of beryllium emissions from stationary sources.

Method 105 - Determination of mercury in wastewater treatment plant sewage sludges.

Method 106 - Determination of vinyl chloride from stationary sources.

Method 107 - Determination of vinyl chloride content of inprocess wastewater samples, and vinyl chloride content of polyvinyl chloride resin, slurry, wet cake, and latex samples.

Method 107A - Determination of vinyl chloride content of solvents, resin-solvent solution, polyvinyl chloride resin, resin slurry, wet resin, and latex samples.

Method 111 - Determination of polonium-210 emissions from stationary sources.

(NOTE: Authority to enforce the above method is being retained by EPA and it is not incorporated by reference into these regulations.)

Appendix C - Quality assurance procedures.

Procedure 1 - Determination of adequate chromatographic peak resolution.

Procedure 2 - Procedure for field auditing gas cylinder analysis.

§ 120-06-0103 Word or phrase substitutions.

In all of the standards designated in § 120-06-0102 substitute:

A. Owner or other person for owner or operator.

B. Board for Administrator.

C. Board for U.S. Environmental Protection Agency (except in references).

D. Part VIII and § 120-06-05 A for §§ 61.05(a), 61.07 and 61.09.

E. § 120-06-03 for § 61.14.

APPENDIX M. DOCUMENTS INCORPORATED BY REFERENCE.

I. General.

A. The Administrative Process Act and Virginia Register Act provide that state regulations may incorporate documents by reference. Throughout these regulations, documents of the types specified below have been incorporated by reference.

1. United States Code.

2. Code of Virginia.

3. Code of Federal Regulations.

4. Federal Register.

5. Technical and scientific reference documents.

Additional information on key federal regulations and non-statutory documents incorporated by reference and their availability may be found in Section II.

B. Any reference in these regulations to any provision of the Code of Federal Regulations (CFR) shall be considered as the adoption by reference of that provision. The specific version of the provision adopted by reference

shall be that contained in the CFR ~~(1985)~~ (1986) in effect July 1, 1985 July 1, 1986. In making reference to the Code of Federal Regulations, 40 CFR Part 35 means Part 35 of Title 40 of the Code of Federal Regulations; 40 CFR Part 35.20 means Section 35.20 in Part 35 of Title 40 of the Code of Federal Regulations.

C. Failure to include in this appendix any document referenced in the regulations shall not invalidate the applicability of the referenced document.

D. Copies of materials incorporated by reference in this appendix may be examined by the public at the headquarters office of the State Air Pollution Control Board, in Room 825, Ninth Street Office Building, Richmond, Virginia between 8:30 a.m. and 4:30 p.m. of each business day.

II. Specific documents.

A. Code of Federal Regulations.

1. The provisions specified below from the Code of Federal Regulations (CFR) in effect as of July 1, 1985 July 1, 1986 are incorporated herein by reference.

a. 40 CFR Part 40 - National Primary and Secondary Ambient Air Quality Standards.

(1) Appendix A - Reference Method for the Determination of Sulfur Dioxide in the Atmosphere (Pararosaniline Method).

(2) Appendix B - Reference Method for the Determination of Suspended Particulate Matter in the Atmosphere (High-Volume Method).

(3) Appendix C - Measurement Principle and Calibration Procedure for the Continuous Measurement of Carbon Monoxide in the Atmosphere (Non-Dispersive Infrared Photometry).

(4) Appendix D - Measurement Principle and Calibration Procedure for the Measurement of Ozone in the Atmosphere.

(5) Appendix E - Reference Method for Determination of Hydrocarbons Corrected for Methane.

(6) Appendix F - Measurement Principle and Calibration Procedure for the Measurement of Nitrogen Dioxide in the Atmosphere (Gas Phase Chemiluminescence).

(7) Appendix G - Reference Method for the Determination of Lead in Suspended Particulate Matter Collected from Ambient Air.

(8) Appendix H - Interpretation of the National Ambient Air Quality Standards for Ozone.

b. 40 CFR Part 58 - Ambient Air Quality Surveillance.

Appendix B - Quality Assurance Requirements for Prevention of Significant Deterioration (PSD) Air Monitoring.

c. 40 CFR Part 60 - Standards of Performance for New Stationary Sources.

(1) Subpart A - General Provisions.

(a) § 60.1 - Applicability.

(b) § 60.2 - Definitions.

(c) § 60.7 - Notification and record keeping.

(d) § 60.8 - Performance tests.

(e) § 60.11 - Compliance with standards and maintenance requirements.

~~(e)~~ (f) § 60.13 - Monitoring requirements.

~~(d)~~ (g) § 60.14 - Modification.

~~(e)~~ (h) § 60.15 - Reconstruction.

(i) § 60.18 - General control device requirements.

(2) Subpart D - Standards of Performance for Fossil-Fuel Fired Steam Generators for Which Construction is Commenced After August 17, 1971.

(3) Subpart Da - Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced After September 18, 1978.

(4) Subpart E - Standards of Performance for Incinerators.

(5) Subpart F - Standards of Performance for Portland Cement Plants.

(6) Subpart G - Standards of Performance for Nitric Acid Plants.

(7) Subpart H - Standards of Performance for Sulfuric Acid Plants.

(8) Subpart I - Standards of Performance for ~~Asphalt Concrete Plants~~ Hot Mix Asphalt Facilities .

(9) Subpart J - Standards of Performance for Petroleum Refineries.

(10) Subpart K - Standards of Performance for Storage Vessels for Petroleum Liquids Constructed After June 11, 1973 and Prior to May 19, 1978.

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(11) Subpart Ka - Standards of Performance for Storage Vessels for Petroleum Liquids Constructed After May 18, 1978.

(12) Subpart L - Standards of Performance for Secondary Lead Smelters.

(13) Subpart M - Standards of Performance for Secondary Brass and Bronze Production Plants.

(14) Subpart N - ~~Standards of Performance for Iron and Steel Plants~~ *Standards of Performance for Primary Emissions from Basic Oxygen Process Furnaces for which Construction is Commenced after June 11, 1973.*

(15) Subpart Na - *Standards of Performance for Secondary Emissions from Basic Oxygen Process Steelmaking Facilities for which Construction is Commenced after January 20, 1983.*

~~(15)~~ (16) Subpart O - Standards of Performance for Sewage Treatment Plants.

~~(16)~~ (17) Subpart P - Standards of Performance for Primary Copper Smelters.

~~(17)~~ (18) Subpart Q - Standards of Performance for Primary Zinc Smelters.

~~(18)~~ (19) Subpart R - Standards of Performance for Primary Lead Smelters.

~~(19)~~ (20) Subpart S - Standards of Performance for Primary Aluminum Reduction Plants.

~~(20)~~ (21) Subpart T - Standards of Performance for the Phosphate Fertilizer Industry: Wet-Process Phosphoric Acid Plants.

~~(21)~~ (22) Subpart U - Standards of Performance for the Phosphate Fertilizer Industry: Superphosphoric Acid Plants.

~~(22)~~ (23) Subpart V - Standards of Performance for the Phosphate Fertilizer Industry: Diammonium Phosphate Plants.

~~(23)~~ (24) Subpart W - Standards of Performance for the Phosphate Fertilizer Industry: Triple Superphosphate Plants.

~~(24)~~ (25) Subpart X - Standards of Performance for the Phosphate Fertilizer Industry: Granular Triple Superphosphate Storage Facilities.

~~(25)~~ (26) Subpart Y - Standards of Performance for Coal Preparation Plants.

~~(26)~~ (27) Subpart Z - Standards of Performance for Ferroalloy Production Facilities.

~~(27)~~ (28) Subpart AA - Standards of Performance for Steel Plants: Electric Arc Furnaces Constructed After October 21, 1974 and On or Before August 17, 1983.

~~(28)~~ (29) Subpart AAa - Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983.

~~(29)~~ (30) Subpart BB - Standards of Performance for Kraft Pulp Mills.

~~(30)~~ (31) Subpart CC - Standards of Performance for Glass Manufacturing Plants.

~~(31)~~ (32) Subpart DD - Standards of Performance for Grain Elevators.

~~(32)~~ (33) Subpart EE - Standards of Performance for Surface Coating of Metal Furniture.

~~(33)~~ (34) Subpart GG - Standards of Performance for Stationary Gas Turbines.

~~(34)~~ (35) Subpart HH - Standards of Performance for Lime Manufacturing Plants.

~~(35)~~ (36) Subpart KK - Standards of Performance for Lead-Acid Battery Manufacturing Plants.

~~(36)~~ (37) Subpart LL - Standards of Performance for Metallic Mineral Processing Plants.

~~(37)~~ (38) Subpart MM - Standards of Performance for Automobile and Light Duty Truck Surface Coating Operations.

~~(38)~~ (39) Subpart NN - Standards of Performance for Phosphate Rock Plants.

~~(39)~~ (40) Subpart PP - Standards of Performance for Ammonium Sulfate Manufacture.

~~(40)~~ (41) Subpart QQ - Standards of Performance for the Graphic Arts Industry: Publication Rotogravure Printing.

~~(41)~~ (42) Subpart RR - Standards of Performance for Pressure Sensitive Tape and Label Surface Coating Operations.

~~(42)~~ (43) Subpart SS - Standards of Performance for Industrial Surface Coating: Large Appliances.

~~(43)~~ (44) Subpart TT - Standards of Performance for Metal Coil Surface Coating.

~~(44)~~ (45) Subpart UU - Standards of Performance for Asphalt Processing and Asphalt Roofing Manufacture.

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~~(45)~~ (46) Subpart VV - Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry.

~~(46)~~ (47) Subpart WW - Standards of Performance for the Beverage Can Surface Coating Industry.

~~(47)~~ (48) Subpart XX - Standards of Performance for Bulk Gasoline Terminals.

~~(48)~~ (49) Subpart FFF - Standards of Performance for Flexible Vinyl and Urethane Coating and Printing.

~~(49)~~ (50) Subpart GGG - Standards of Performance for Equipment Leaks of VOC in Petroleum Refineries.

~~(50)~~ (51) Subpart HHH - Standards of Performance for Synthetic Fiber Production Facilities.

~~(51)~~ (52) Subpart JJJ - Standards of Performance for Petroleum Dry Cleaners.

~~(52)~~ (53) Subpart KKK - Standards of Performance for Equipment Leaks of VOC From Onshore Natural Gas Processing Plants.

(54) Subpart LLL - Standards of Performance for Onshore Natural Gas Processing: Sulfur Dioxide Emissions.

(55) Subpart OOO - Standards of Performance for Nonmetallic Mineral Processing Plants.

~~(53)~~ (56) Subpart PPP - Standard of Performance for Wool Fiberglass Insulation Manufacturing Plants.

~~(54)~~ (57) Appendix A - Reference Methods.

(a) Method 1 - Sample and velocity traverses for stationary sources.

(b) Method 2 - Determination of stack gas velocity and volumetric flow rate (type S pitot tube).

(c) Method 2A - Direct measurement of gas volume through pipes and small ducts.

(d) Method 2B - Determination of exhaust gas volume flow rate from gasoline vapor incinerators.

(e) Method 3 - Gas analysis for carbon dioxide, oxygen, excess air, and dry molecular weight.

(f) Method 3A - Determination of oxygen and carbon dioxide concentrations in emissions from stationary sources (instrumental analyzer procedure).

~~(4)~~ (g) Method 4 - Determination of moisture content in stack gases.

~~(g)~~ (h) Method 5 - Determination of particulate emissions from stationary sources.

~~(h)~~ (i) Method 5A - Determination of particulate emissions from the asphalt processing and asphalt roofing industry.

~~(i)~~ (j) Method 5D - Determination of particulate matter emissions from positive pressure fabric filters.

~~(j)~~ (k) Method 5E - Determination of particulate emissions from the wool fiberglass insulation manufacturing industry.

~~(k)~~ (l) Method 6 - Determination of sulfur dioxide emissions from stationary sources.

~~(l)~~ (m) Method 6A - Determination of sulfur dioxide, moisture, and carbon dioxide emissions from fossil fuel combustion sources.

~~(m)~~ (n) Method 6B - Determination of sulfur dioxide and carbon dioxide daily average emissions from fossil fuel combustion sources.

(o) Method 6C - Determination of sulfur dioxide emissions from stationary sources (instrumental analyzer procedure).

~~(n)~~ (p) Method 7 - Determination of nitrogen oxide emissions from stationary sources.

~~(o)~~ (q) Method 7A - Determination of nitrogen oxide emissions from stationary sources - ion chromatographic method.

~~(p)~~ (r) Method 7B - Determination of nitrogen oxide emissions from stationary sources (ultraviolet spectrophotometry).

~~(q)~~ (s) Method 7C - Determination of nitrogen oxide emissions from stationary sources - alkaline-permanganate/colorimetric.

~~(r)~~ (t) Method 7D - Determination of nitrogen oxide emissions from stationary sources - alkaline-permanganate/ion chromatographic method.

(u) Method 7E - Determination of nitrogen oxides emissions from stationary sources (instrumental analyzer procedure).

~~(s)~~ (v) Method 8 - Determination of sulfuric acid mist and sulfur dioxide emissions from stationary sources.

~~(t)~~ (w) Method 9 - Visual determination of the opacity of emissions from stationary sources.

(x) Alternative Method 1 - Determination of the

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opacity of emissions from stationary sources remotely by lidar.

~~(u)~~ (y) Method 10 - Determination of carbon monoxide emissions from stationary sources.

~~(v)~~ (z) Method 11 - Determination of hydrogen sulfide content of fuel gas streams in petroleum refineries.

~~(w)~~ (aa) Method 12 - Determination of inorganic lead emissions from stationary sources.

~~(x)~~ (bb) Method 13A - Determination of total fluoride emissions from stationary sources - SPADNS zirconium lake method.

~~(y)~~ (cc) Method 13B - Determination of total fluoride emissions from stationary sources - specific ion electrode method.

~~(z)~~ (dd) Method 14 - Determination of fluoride emissions from potroom roof monitors of primary aluminum plants.

~~(aa)~~ (ee) Method 15 - Determination of hydrogen sulfide, carbonyl sulfide, and carbon disulfide emissions from stationary sources.

~~(bb)~~ (ff) Method 16 - Semicontinuous determination of sulfur emissions from stationary sources.

~~(cc)~~ (gg) Method 16A - Determination of total reduced sulfur emissions from stationary sources (impinger technique).

~~(dd)~~ (hh) Method 17 - Determination of particulate emissions from stationary sources (in-stack filtration method).

~~(ee)~~ (ii) Method 18 - Measurement of gaseous organic compound emissions by gas chromatography.

~~(ff)~~ (jj) Method 19 - Determination of sulfur dioxide removal efficiency and particulate, sulfur dioxide and nitrogen oxides emission rates from electric utility steam generators.

~~(gg)~~ (kk) Method 20 - Determination of nitrogen oxides, sulfur dioxide, and oxygen emissions from stationary gas turbines.

~~(hh)~~ (ll) Method 21 - Determination of volatile organic compounds leaks.

~~(ii)~~ (mm) Method 22 - Visual determination of fugitive emissions from material sources and smoke emissions from flares.

~~(jj)~~ (nn) Method 24 - Determination of volatile matter content, water content, density, volume solids,

and weight solids of surface coatings.

~~(kk)~~ (oo) Method 24A - Determination of volatile matter content and density of printing inks and related coatings.

~~(ll)~~ (pp) Method 25 - Determination of total gaseous nonmethane organic emissions as carbon.

~~(mm)~~ (qq) Method 25A - Determination of total gaseous organic concentration using a flame ionization analyzer.

~~(nn)~~ (rr) Method 25B - Determination of total gaseous organic concentration using a nondispersive infrared analyzer.

~~(oo)~~ (ss) Method 27 - Determination of vapor tightness of gasoline delivery tank using pressure-vacuum test.

~~(55)~~ (58) Appendix B - Performance Specifications.

(a) Performance Specification 1 - Specifications and test procedures for opacity continuous emission monitoring systems in stationary sources.

(b) Performance Specification 2 - Specifications and test procedures for sulfur dioxide and nitric oxides continuous emission monitoring systems in stationary sources.

(c) Performance Specification 3 - Specifications and test procedures for oxygen and carbon dioxide continuous emission monitoring systems in stationary sources.

(d) Performance Specification 4 - Specifications and test procedures for carbon monoxide continuous emission monitoring systems in stationary sources.

(e) Performance Specification 5 - Specifications and test procedures for TRS continuous emission monitoring systems in stationary sources.

~~(56)~~ (59) Appendix C - Determination of Emission.

d. 40 CFR Part 61 - National Emission Standards for Hazardous Air Pollutants.

(1) Subpart A - General Provisions.

(a) § 61.01 - Applicability.

(b) § 61.02 - Definitions.

(c) § 60.12 - Compliance with standards and maintenance requirements.

(d) § 60.13 - Emission tests and waiver of emission tests.

(e) § 60.14 - Monitoring requirements.

(f) § 60.15 - Modification.

(2) Subpart C - National Emission Standard for Beryllium.

(3) Subpart D - National Emission Standard for Beryllium Rocket Motor Firing.

(4) Subpart E - National Emission Standard for Mercury.

(5) Subpart F - National Emission Standard for Vinyl Chloride.

(6) Subpart J - National Emission Standard for Equipment Leaks (Fugitive Emission Sources) of Benzene.

(7) Subpart M - National Emission Standard for Asbestos.

(8) Subpart V - National Emission Standard for Equipment Leaks (Fugitive Emission Sources).

(9) Appendix B - Test Methods.

(a) Method 101 - Determination of particulate and gaseous mercury emissions from chlor-alkali plants - air streams.

(b) Method 101A - Determination of particulate and gaseous mercury emissions from sewage sludge incinerators.

(c) Method 102 - Determination of particulate and gaseous mercury emissions from chlor-alkali plants - hydrogen streams.

(d) Method 103 - Beryllium screening method.

(e) Method 104 - Determination of beryllium emissions from stationary sources.

(f) Method 105 - Determination of mercury in wastewater treatment plant sewage sludge.

(g) Method 106 - Determination of vinyl chloride from stationary sources.

(h) Method 107 - Determination of vinyl chloride content of inprocess wastewater samples, and vinyl chloride content of polyvinyl chloride resin, slurry, wet cake, and latex samples.

(i) Method 107A - Determination of vinyl chloride content of solvents, resin-solvent solution, polyvinyl chloride resin, resin slurry, wet resin, and latex samples.

(10) Appendix C - Quality Assurance Procedures.

(a) Procedure 1 - Determination of adequate chromatographic peak resolution.

(b) Procedure 2 - Procedure for field auditing GC analysis.

2. Copies may be obtained from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; phone (202) 783-3238.

B. U.S. Environmental Protection Agency.

1. The documents specified below from the U.S. Environmental Protection Agency are incorporated herein by reference.

a. Guideline on Air Quality Models (revised), EPA-450/2-78-027R, OAQPS No. 1.2-080, November 1984 July 1986.

b. Workbook for Comparison of Air Quality Models, EPA-450/2-78-028a, OAQPS No. 1.2-007, PB292249, Appendices, EPA-450/2-78-028b, PB80-120108, OAQPS No. 1.2-007A, May 1978.

c. b. Reich Test, Atmospheric Emissions from Sulfuric Acid Manufacturing Processes, Public Health Service Publication No. 999-AP-13, PB190235, 1965.

2. Copies may be obtained from: U.S. Department of Commerce, National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161; phone (703) 487-4650.

C. U.S. government.

1. The following document from the U.S. government is incorporated herein by reference: Standard Industrial Classification Manual, 1972, as amended by the 1977 Supplement (U.S. Government Printing Office stock numbers 4101-006 and 003-005-00176-0, respectively).

2. Copies may be obtained from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; phone (202) 783-3238.

D. American Society for Testing and Materials (ASTM).

1. The documents specified below from the American Society for Testing and Materials are incorporated herein by reference.

a. D323-82, "Test Method for Vapor Pressure of Petroleum Products (Reid Method)" from Section 5, Volume 05.01 of the 1985 Annual Book of ASTM Standards.

b. D97-66 (reapproved 1978), "Test Method for Pour

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Point of Petroleum Oils" from Section 5, Volume 05.01 of the 1985 Annual Book of ASTM Standards.

(See Calendar of Events section for additional information)

2. Copies may be obtained from: American Society for Testing Materials, 1916 Race Street, Philadelphia, Pennsylvania 19103; phone (215) 299-5400.

E. American Petroleum Institute (API).

1. The following document from the American Petroleum Institute is incorporated herein by reference: API Publication 2517, Evaporation Loss from External Floating Roof Tanks, Second Edition, February 1980.

2. Copies may be obtained from: American Petroleum Institute, 2101 L Street, Northwest, Washington, D.C. 20037; phone (202) 682-8000.

F. American Conference of Governmental Industrial Hygienists (ACGIH).

1. The following document from the ACGIH is incorporated herein by reference: ACGIH Handbook - Threshold Limit Values ® for Chemical Substances in the Work Environment Adopted by ACGIH with Intended Changes for 1986-1986 1986-1987 .

2. Copies may be obtained from: ACGIH, 6500 Glenway Avenue, Building D-7, Cincinnati, Ohio 45211; phone (513) 661-7881.

G. National Fire Prevention Association (NFPA).

1. The documents specified below from the National Fire Prevention Association are incorporated herein by reference.

a. NFPA 385, Standard for Tank Vehicles for Flammable and Combustible Liquids, 1985 Edition.

b. NFPA 30, Flammable and Combustible Liquids Code, 1984 Edition.

c. NFPA 30A, Automotive and Marine Service Station Code, 1984 Edition.

2. Copies may be obtained from the National Fire Prevention Association, Batterymarch Park, Quincy, Massachusetts 02269; phone (617) 770-3000.

ALCOHOLIC BEVERAGE CONTROL BOARD

Title of Regulation: VR 125-01-1. Procedural Rules for the Conduct of Hearings Before the Board and Its Hearing Officers and the Adoption or Amendment of Regulations.

Statutory Authority: § 4-11 of the Code of Virginia.

Public Hearing Date: November 19, 1987 - 10 a.m.

Summary:

The proposed amendment is to provide an adequate discovery process in Wine and Beer Franchise Act cases. The board may issue subpoenas for the production of documents, attendance of witnesses, requests for admissions, interrogatories, depositions and other forms of discovery.

These changes provide for discovery in Wine and Beer Franchise cases as provided in changes to §§ 4-118.11 and 4-118.31 of the Code of Virginia, at the 1987 General Assembly.

The proposed amendment parallels the Virginia Supreme Court Rules of Discovery.

These provisions should have a minimal impact on the board in that most discovery proceedings will involve only the litigants and their council.

VR 125-01-1. Procedural Rules for the Conduct of Hearings Before the Board and Its Hearing Officers and the Adoption or Amendment of Regulations.

PART III. WINE AND BEER FRANCHISE ACTS.

§ 3.5. Discovery, prehearing procedures.

A. Introduction.

The rules in this section shall apply in all proceedings under the Beer and Wine Franchise Acts, Chapters 2.1 and 2.2 of Title 4 of the Code of Virginia.

No provision of any of the rules in this section shall affect the practice of taking evidence at a hearing; but such practice including that of generally taking evidence ore tenus only at hearings before hearing officers; shall continue unaffected hereby.

B. Definitions.

The following words and terms, when used in this regulation, shall have the following meanings unless the context clearly indicates otherwise:

"Board" means the Virginia Alcoholic Beverage Control Board and the officers, agents and employees of the board, including the secretary and the hearing officer(s), unless otherwise specified or unless the context requires otherwise.

"Manufacturer" means a winery or brewery, as those terms are defined in §§ 4-118.23 and 4-118.4, respectively, of the Code of Virginia.

"Person" means a winery, brewery, importer or wholesaler, as well as those entities designated as "persons," within the meaning of §§ 4-118.23 and 4-118.4 of the Code of Virginia.

"Secretary" means the Secretary of the Virginia Alcoholic Beverage Control Board.

"Commencement" of proceedings under this Part III of VR 125-01-1 means (i) the date a complaint is referred in writing to the secretary of the board or (ii) the date that the board mails to the respondent(s) notice that reasonable cause exists to believe there has been a violation of either the Wine or Beer Franchise Acts, whichever may first occur.

C. General provisions governing discovery.

1. *Discovery methods.* Parties may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; written interrogatories; production of documents or things or permission to enter upon land or other property, for inspection and other purposes; and requests for admission. Unless the board orders otherwise under paragraph 3 of this subsection or paragraph 1 of subsection P, the frequency of use of these methods is not limited.

2. *Scope of discovery.* Unless otherwise limited by order of the board in accordance with this § 3.5, the scope of discovery is as follows:

a. *In general.* Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending proceeding, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at the hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

b. *Applicability.* Discovery as provided under this § 3.5 shall apply to all proceedings or hearings of Wine or Beer Franchise Act cases while pending before hearing officers or arbitrators. Discovery under this section shall not be authorized during the course of appeals to the board, unless the board has first granted leave to proceed with additional discovery.

c. *Hearing preparation. Materials.* Subject to the provisions of paragraph 2 (d) of this subsection C, a party may obtain discovery of documents and

tangible things otherwise discoverable under paragraph 2 (a) of this subsection C and prepared in anticipation of litigation or for the hearing by or for another party or by or for that other party's representative (including his attorney, consultant, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the board shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

A party may obtain without the required showing a statement concerning the proceeding or its subject matter previously made by that party. For purposes of this paragraph, a statement previously made is (i) a written statement signed or otherwise adopted or approved by the person making it, or (ii) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and contemporaneously recorded.

d. *Hearing Preparations. Experts. Costs. Discovery of facts known and opinions held by experts, otherwise discoverable under the provisions of paragraph 2 (a) of this subsection C and acquired or developed in anticipation of litigation or for the hearing, may be obtained only as follows:*

(1) (i) A party may through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness at the hearing, to state the subject matter on which the expert is expected to testify, and to state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion; (ii) upon motion, the board may order further discovery by other means, subject to such restrictions as to scope and such provisions, pursuant to paragraph 2.d of this subsection C, concerning fees and expenses as the board may deem appropriate.

(2) A party may discover facts known or opinions held by an expert who has been retained or specially employed by another party in anticipation of litigation or preparation for the hearing and who is not expected to be called as a witness at the hearing, only upon a showing of exceptional circumstances under which it is impracticable for the party seeking discovery to obtain facts or opinions on the same subject by other means.

(3) Unless manifest injustice would result, (i) the

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board shall require that the party seeking discovery pay the expert a reasonable fee for time spent and his expenses incurred in responding to discovery under subparagraph d(1)(b) and d(2) of this subsection C; and (ii) with respect to discovery obtained under subdivision d(1)(b) of this subsection C the board may require, and with respect to discovery obtained under subsection d(2) of this subsection C the board shall require the party seeking discovery to pay the other party a fair portion of the fees and expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert.

3. *Protective orders.* Upon motion by a party or by the person from whom discovery is sought, and for good cause shown, the board may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following: (i) that the discovery not be had; (ii) that the discovery may be had only on specified terms and conditions, including a designation of the time or place; (iii) that the discovery may be had only by a method of discovery other than that selected by the party seeking discovery; (iv) that certain matters not be inquired into, or that the scope of the discovery be limited to certain matters; (v) that discovery be conducted with no one present except persons designated by the board; (vi) that a deposition after being sealed be opened only by order of the board; (vii) that a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way; (viii) that the parties simultaneously file specified document or information enclosed in sealed envelopes to be opened as directed by the board.

If the motion for a protective order is denied in whole or in part, the board may, on such terms and conditions as are just, order that any party or person provide or permit discovery. The provisions of paragraph 1.d of subsection M apply to the award of expenses incurred in relation to the motion.

4. *Sequence and timing of discovery.* Unless the board upon motion, or pursuant to subsection N of this section, for the convenience of parties and witnesses and in the interests of justice, orders otherwise, methods of discovery may be used in any sequence and the fact that a party is conducting discovery, whether by deposition or otherwise, shall not operate to delay any other party's discovery.

5. *Supplementation of responses.* A party who has responded to a request for discovery with a response that was complete when made is under no duty to supplement his response to include information thereafter acquired except as follows:

a. A party is under a duty seasonably to

supplement his response with respect to any question directly addressed to (i) the identity and location of persons having knowledge of discoverable matters, and (ii) the identity of each person expected to be called as an expert witness at a hearing, the subject matter on which he is expected to testify, and the substance of his testimony.

b. A party is under a duty seasonably to amend a prior response if he obtains information upon the basis of which (i) he knows that the response was incorrect when made, or (ii) he knows that the response though correct when made is no longer true and the circumstances are such that a failure to amend the response is in substance a knowing concealment.

c. A duty to supplement responses may be imposed by order of the board, agreement of the parties, or at any time prior to the hearing through new requests for supplementation of prior responses.

6. *Service under this part.* Except for the service of the notice required under D.1.b of this § 3.5, any notice or document required or permitted to be served under this § 3.5 by one party upon another shall be served as provided in Rule 1:12 of the Rules of the Supreme Court of Virginia. Any notice or document required or permitted to be served under this § 3.5 by the board upon one or more parties shall be served as provided in §§ 1.7, 1.14, 2.5 or 2.9 of Parts I and II of VR 125-01-1.

7. *Filing.* Any request for discovery under this § 3.5 and the responses thereto, if any, shall be filed with the secretary of the board except as otherwise herein provided.

D. Depositions before proceeding or pending appeal.

1. Before proceeding.

a. *Petition.* A person who desires to perpetuate his own testimony or that of another person regarding any matter that may be cognizable before the board under this section may file a verified petition before the board. The petition shall be entitled in the name of the petitioner and shall show: (i) that the petitioner expects to be a party to a proceeding under Part III of these regulations but is presently unable to bring it or cause it to be brought; (ii) the subject matter of the expected action and his interest therein; (iii) the facts which he desires to establish by the proposed testimony and his reasons for desiring to perpetuate it; (iv) the names or a description of the persons he expects will be adverse parties and their addresses so far as known; and (v) the names and addresses of the persons to be examined and the substance of the testimony which he expects to elicit from each, and

shall ask for an order authorizing the petitioner to take the depositions of the persons to be examined named in the petition, for the purpose of perpetuating their testimony.

b. *Notice and service.* The petitioner shall thereafter serve a notice upon each person named in the petition as an expected adverse party, together with a copy of the petition, stating that the petitioner will apply to the board, at a time and place named therein, for the order described in the petition. At least 21 days before the date of hearing the notice shall be served in the manner provided in § 1.14 or 2.9 of Parts I and II of VR 125-01-1; but if such service cannot with due diligence be made upon any expected adverse party named in the petition, the board may make such order as is just for service by publication or otherwise.

c. *Order and examination.* If the board is satisfied that the perpetuation of the testimony may prevent a failure or delay of justice, it shall make an order designating or describing the persons whose depositions may be taken and specifying the subject matter of the examination and whether the depositions shall be taken upon oral examination or written interrogatories. The depositions may then be taken in accordance with § 3.5. The attendance of witnesses may be compelled by subpoena, and the board may make orders of the characters provided for by subsection K of this § 3.5.

d. *Cost.* The cost of such depositions shall be paid by the petitioner, except that the other parties in interest who produce witnesses on their behalf or who make use of witnesses produced by others shall pay their proportionate part of the cost of the transcribed testimony and evidence taken or given on behalf of each of such parties.

e. *Filing.* The depositions shall be certified as prescribed in subsection G of this § 3.5 and then returned to and filed by the secretary.

f. *Use of deposition.* If a deposition to perpetuate testimony is taken under these provisions or if, although not so taken, it would be admissible in evidence in the courts of the state in which it is taken, it may be used in any proceeding involving the same subject matter subsequently brought before the board pursuant to Part III of these regulations in accordance with the provisions of subsection C of § 3.5.

2. *Pending appeal.* If an appeal has been taken from a ruling of the board or before the taking of an appeal if any time therefor has not expired and for good cause shown, the board may allow the taking of depositions of witnesses to perpetuate their testimony for use in the event of further proceedings. In such case the party who desires to perpetuate the

testimony may make a motion before the board for leave to take the depositions, upon the same notice and service thereof as if the proceeding was pending therein. The motion shall show (i) the names and addresses of persons to be examined and the substance of the testimony which he expects to elicit from each; and (ii) the reasons for perpetuating their testimony. If the board finds that the perpetuation of the testimony is proper to avoid a failure or delay of justice, it may make orders of the character provided for by subsection K of § 3.5 and thereupon the depositions may be taken and used in the same manner and under the same conditions as are prescribed in this § 3.5 for depositions taken in pending actions.

3. *Perpetuation of testimony.* This subsection D provides the exclusive procedure to perpetuate testimony before the board.

E. *Persons before whom depositions may be taken.*

1. *Within this Commonwealth.* Within this Commonwealth depositions under this § 3.5 may be taken before any person authorized by law to administer oaths, and if certified by his hand may be received without proof of the signature to such certificate.

2. *Within the United States.* In any other state of the United States or within any territory or insular possession subject to the dominion of the United States, depositions under this § 3.5 may be taken before any officer authorized to take depositions in the jurisdiction wherein the witness may be, or before any commissioner appointed by the Governor of this Commonwealth.

3. *No commission necessary.* No commission by the Governor of this Commonwealth shall be necessary to take a deposition under this § 3.5 whether within or without this Commonwealth.

4. *In foreign countries.* In a foreign state or country depositions under this § 3.5 shall be taken (i) before any American minister plenipotentiary, charge d'affaires, secretary of embassy or legation, consul general, consul, vice-consul, or commercial agent of the United States in a foreign country, or any other representative of the United States therein, including commissioned officers of the armed services of the United States, or (ii) before the mayor, or other magistrate of any city, town or corporation in such country, or any notary therein.

5. *Certificate when deposition taken outside Commonwealth.* Any person before whom a deposition under this § 3.5 is taken outside this Commonwealth shall certify the same with his official seal annexed; and, if he have none, the genuineness of his signature shall be authenticated by some officer of the same

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state or country, under his official seal, except that no seal shall be required of a commissioned officer of the armed services of the United States, but his signature shall be authenticated by the commanding officer of the military installation or ship to which he is assigned.

F. Stipulations regarding discovery.

Unless the board orders otherwise, the parties may by written stipulation (i) provide that depositions may be taken before any person, at any time or place, upon any notice, and in any manner and when so taken may be used like other depositions and (ii) modify the procedures provided by these rules for other methods of discovery. Such stipulations shall be filed with the deposition.

G. Depositions upon oral examination.

1. When depositions may be taken. Twenty-one days after commencement of the proceeding, any party may take the testimony of any person, including a party, by deposition upon oral examination. The attendance of witnesses may be compelled by subpoena. The deposition of a person confined in prison may be taken only by leave of the board upon such terms as the board prescribes, subject to any authorization and limitations that may be imposed by any court within the Commonwealth.

2. Notice of examination. General requirements; special notice; nonstenographic recording; production of documents and things; deposition of organization.

a. A party desiring to take the deposition of any person upon oral examination shall give reasonable notice in writing to every other party to the proceeding. The notice shall state the time and place for taking the deposition and the name and address of each person to be examined, if known, and, if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs. If a subpoena duces tecum is to be served on the person to be examined, the designation of the materials to be produced as set forth in the subpoena shall be attached to or included in the notice.

b. (Reserved)

c. The board may for cause shown enlarge or shorten the time for taking the deposition.

d. (Reserved)

e. The notice to a party deponent may be accompanied by a request made in compliance with subsection K of this § 3.5 for the production of documents and tangible things at the taking of the deposition. The procedure of subsection K of this §

3.5 shall apply to the request.

f. A party may in his notice name as the deponent a public or private corporation or a partnership or association or governmental agency and designate with reasonable particularity the matters on which examination is requested. The organization so named shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which he will testify. The persons so designated shall testify as to matters known or reasonably available to the organization. This paragraph 2.f does not preclude taking a deposition by any other procedure authorized in this § 3.5.

g. The parties may stipulate in writing or the board may on motion order that a deposition be taken by telephone. A deposition taken by telephone shall be taken before an appropriate officer in the locality where the deponent is present to answer questions propounded to him.

3. Examination and cross-examination; record of examination; oath; objections. Examination and cross-examination of witnesses may proceed as permitted at the hearing. The officer before whom the deposition is to be taken shall put the witness on oath and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically or recorded by any other means authorized by this § 3.5. If requested by one of the parties, the testimony shall be transcribed.

All objections made at time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings, shall be noted by the officer upon the deposition. Evidence objected to shall be taken subject to the objections. In lieu of participating in the oral examinations, parties may serve written questions in a sealed envelope on the party taking the deposition and he shall transmit them to the officer, who shall propound them to the witness and record the answers verbatim.

4. Motion to terminate or limit examination. At any time during the taking of the deposition, on motion of a party or of the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the board may order the officer conducting the examination to cease forthwith from taking the deposition, or may limit the scope and manner of the taking of the deposition as provided in subsection C.3 of § 3.5. If the order made terminates the examination, it shall be resumed thereafter only upon the order of the board. Upon

demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order. The provisions of subsection O.1.d apply to the award of expenses incurred in relation to the motion.

5. *Submission to witness; changes; signing.* When the testimony is fully transcribed, the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in forms or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing or the witness is ill or cannot be found or refuses to sign. If the deposition is not signed by the witness within 21 days of its submission to him, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed unless on a motion to suppress under subsection J.4.d of this § 3.5 the board holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

6. *Certification and filing by officer; exhibits; copies; notice of filing.*

a. The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. He shall then lodge it with the attorney for the party who initiated the taking of the deposition, notifying the secretary of the board and all parties of such action. Depositions taken pursuant to this subsection G or subsection H shall not be filed with the secretary until the board so directs, either on its own initiative or upon the request of any party prior to or during the hearing.

Documents and things produced for inspection during the examination of the witness, shall, upon the request of a party, be marked for identification and annexed to and returned with the deposition, and may be inspected and copied by any party, except that (i) the person producing the materials may substitute copies to be marked for identification, if he affords to all parties fair opportunity to verify the copies by comparison with the originals, and (ii) if the person producing the materials requests their return, the officer shall mark them, give each party an opportunity to inspect and copy them, and return them to the person producing them, and the materials may then be used in the same manner as if annexed to and returned with the deposition. Any party may move for an order that the original be annexed to and

returned with the deposition to the board, pending final disposition of the case.

b. Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent.

c. The party taking the deposition shall give prompt notice of its filing to all other parties.

7. *Failure to attend or to serve subpoena; expenses.*

a. If the party giving the notice of the taking of a deposition fails to attend and proceed therewith and another party attends in person or by attorney pursuant to the notice, the board may order the party giving the notice to pay to such other party the reasonable expenses incurred by him and his attorney in attending, including reasonable attorney's fees.

b. If the party giving the notice of the taking of a deposition of a witness fails to serve a subpoena upon him and the witness because of such failure does not attend, and if another party attends in person or by attorney because he expects the deposition of that witness to be taken, the board may order the party giving the notice to pay to such other party the reasonable expenses incurred by him and his attorney in attending, including reasonable attorney's fees.

H. *Deposition upon written questions.*

1. *Serving questions; notice.* Twenty-one days after commencement of the proceeding, any party may take the testimony of any person, including a party, by deposition upon written questions. The attendance of witnesses may be compelled by the use of subpoena. The deposition of a person confined in prison may be taken only by leave of the board upon such terms as the board prescribes subject to any authorization and limitations that may be required or imposed by any court within the Commonwealth.

A party desiring to take the deposition upon written questions shall serve them upon every other party with a notice stating that (i) the name and address of the person who is to answer them, if known, and if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs, and (ii) the name or descriptive title and address of the officer before whom the deposition is to be taken. A deposition upon written questions may be taken of a public or private corporation or a partnership or association or governmental agency in accordance with the provisions of subsection G.2.f of § 3.5.

Within 21 days after the notice and written questions are served, a party may serve cross questions upon

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all other parties. Within 10 days after being served with cross questions, a party may serve redirect questions upon all other parties. Within 10 days after being served with redirect questions, a party may serve recross questions upon all other parties. The board may for cause shown enlarge or shorten the time.

2. Officer to take responses and prepare record. A copy of the notice and copies of all questions served shall be delivered by the party taking the deposition to the officer designated in the notice, who shall proceed promptly, in the manner provided by paragraphs 3, 4 and 5 of subsection G of § 3.5, to take the testimony of the witness in response to the questions and to prepare, certify, and file or mail the deposition, attaching thereto the copy of the notice and the questions received by him.

3. Notice of filing. When the deposition is filed, the party taking it shall promptly give notice thereof to all other parties.

I. Limitation of depositions.

No party shall take the deposition of more than five witnesses for any purpose without leave of the board for good cause shown.

J. Use of depositions in proceedings under the Beer and Wine Franchise Acts.

1. Use of depositions. At the hearing or upon the hearing of a motion, so far as admissible under the rules of evidence applied as though the witness were then present and testifying, may be used against any party who was present or represented at the taking of the deposition or who had reasonable notice thereof, in accordance with any of the following provisions.

a. (Reserved)

b. Any deposition may be used by any party for the purpose of contradicting or impeaching the testimony of deponent as a witness.

c. The deposition of a party or of anyone who at the time of taking the deposition was an officer, director, or managing agent, or a person designated under paragraph 2f of subsection G or paragraph 1 of subsection H of this § 3.5 to testify on behalf of a public or private corporation, partnership or association or governmental agency which is a party may be used by an adverse party for any purpose.

d. The deposition of a witness, whether or not a party, may be used by any party for any purpose if the board finds: (i) that the witness is dead; or (ii) that the witness is at a greater distance than 100

miles from the place of hearing, or is out of this Commonwealth, unless it appears that the absence of the witness was procured by the party offering the deposition; or (iii) that the witness is unable to attend or testify because of age, illness, infirmity, or imprisonment; or (iv) that the party offering the deposition has been unable to procure the attendance of the witness by subpoena; or (v) that the witness is a judge, or is in any public office or service the duties of which prevent his attending hearings before the board provided, however, that if the deponent is subject to the jurisdiction of the board, the board may, upon a showing of good cause or sua sponte, order him to attend and to testify *ore tenus*; or (vi) upon application and notice, that such exceptional circumstances exist as to make it desirable, in the interest of justice and with due regard to the importance of presenting the testimony of witnesses orally, to allow the deposition to be used.

e. If only part of a deposition is offered in evidence by a party, an adverse party may require him to introduce any other part which ought in fairness to be considered with the part introduced, and any party may introduce any other parts.

f. No deposition shall be read in any proceeding against a person under a disability unless it be taken in the presence of the guardian ad litem appointed or attorney serving pursuant to § 8.01-9, or upon questions agreed on by the guardian or attorney before the taking.

g. In any proceeding, the fact that a deposition has not been offered in evidence prior to an interlocutory decree or order shall not prevent its thereafter being so offered except as to matters ruled upon in such interlocutory decree or order, provided, however, that such deposition may be read as to matters ruled upon in such interlocutory decree order if the principles applicable to after-discovered evidence would permit its introduction.

Substitution of parties does not affect the right to use depositions previously taken; and when there are pending before the board several proceedings between the same parties, depending upon the same facts, or involving the same matter of controversy, in whole or in part, a deposition taken in one of such proceedings, upon notice to the same party or parties, may be read in all, so far as it is applicable and relevant to the issue; and, when an action in any court of the United States or of this or any other state has been dismissed and a proceeding before the board involving the same subject matter is afterward brought between the same parties or their representatives or successors in interest, all depositions lawfully taken and duly filed in the one action may be used in a proceeding

before the board as if originally taken therefor.

2. *Objections to admissibility.* Subject to the provisions of paragraph 4.c of subsection J of § 3.5, objection may be made at the hearing to receive in evidence any deposition or part thereof for any reason which would require the exclusion of the evidence if the witnesses were then present and testifying.

3. *Effect of taking or using depositions.* A party does not make a person his own witness for any purpose by taking his deposition. The introduction in evidence of the deposition or any part thereof for any purpose other than that of contradicting or impeaching the deponent makes the deponent the witness of the party introducing the deposition, but this shall not apply to the use by an adverse party of a deposition under paragraph 1.c of this subsection J. At the hearing any party may rebut any relevant evidence contained in a deposition whether introduced by him or by any other party.

4. *Effect of errors and irregularities in depositions.*

a. *As to notice.* All errors and irregularities in the notice for taking a deposition are waived unless written objection is promptly served upon the party giving the notice.

b. *As to disqualification of officer.* Objection to taking a deposition because of disqualification of the officer before whom it is to be taken is waived unless made before the taking of the deposition begins or as soon thereafter as the disqualification becomes known or could be discovered with reasonable diligence.

c. *As to taking of deposition.*

(1) *Objections to the competency of a witness or to the competency, relevancy, or materiality of testimony are not waived by failure to make them before or during the taking of the deposition, unless the ground of the objection is one which might have been obviated or removed if presented at that time.*

(2) *Errors and irregularities occurring at the oral examination in the manner of taking the deposition, in the form of the questions and answers, in the oath or affirmation, or in the conduct of parties, and errors of any kind which might be obviated, removed, or cured if promptly presented, are waived unless seasonable objection thereto is made at the taking of the deposition.*

(3) *Objections to the form of written questions submitted under subsection H of § 3.5 are waived unless served in writing upon the party propounding them within the time allowed for*

serving the succeeding cross or other questions and within five days after service of the last questions authorized.

d. *As to completion and return of deposition.* Errors and irregularities in the manner in which the testimony is transcribed or the deposition is prepared, signed, certified, sealed, endorsed, transmitted, filed or otherwise dealt with by the officer under subsections G and H of § 3.5 are waived unless a motion to suppress the deposition or some part thereof is made with reasonable promptness after such defect is, or with due diligence might have been, ascertained.

5. *(Reserved)*

6. *Record.* Depositions shall become a part of the record only to the extent that they are offered in evidence.

K. *Audio-visual depositions.*

1. *When depositions may be taken by audio-visual means.* Any depositions permitted under these rules may be taken by audio-visual means as authorized by and when taken in compliance with law.

2. *Use of clock.* Every audio-visual deposition shall be timed by means of a timing device, which shall record hours, minutes and seconds which shall appear in the picture at all times during the taking of the deposition.

3. *Editing.* No audio-visual deposition shall be edited except pursuant to a stipulation of the parties or pursuant to order of the board and only as and to the extent directed in such order.

4. *Written transcript.* If an appeal is taken in the case, the appellant shall cause to be prepared and filed with the secretary a written transcript of that portion of an audio-visual deposition made a part of the record at the hearing to the extent germane to an issue on appeal. The appellee may designate additional portions to be so prepared by the appellant and filed.

5. *Use.* An audio-visual deposition may be used only as provided in subsection K of § 3.5.

6. *Submission, etc.* The provisions of Rule 5(e) shall not apply to an audio-visual deposition. The other provisions of subsection G of § 3.5 shall be applicable to the extent practicable.

L. *Interrogatories to parties.*

1. *Availability; procedures for use.* Upon the commencement of any proceedings under this Part III, any party may serve upon any other party written

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interrogatories to be answered by the party served or, if the party served is a public or private corporation or a partnership or association or governmental agency, by any officer or agent, who shall furnish such information as is available to the party.

2. *Form.* The party serving the interrogatories shall leave sufficient space between each interrogatory so as to permit the party answering the interrogatories to make a photocopy of the interrogatories and to insert the answers between each interrogatory. The party answering the interrogatories shall use a photocopy to insert answers and shall precede the answer with the word "Answer." In the event the space which is left to fully answer any interrogatory is insufficient, the party answering shall insert the words, "see supplemental sheet" and shall proceed to answer the interrogatory fully on a sheet of paper containing the heading "Supplemental Sheet" and identify the answers by reference to the number of interrogatory. The party answering the interrogatories shall prepare a separate sheet containing the necessary oath to the answers, which shall be attached to the answers filed with the court to the copies sent to all parties and shall contain a certificate of service.

3. *Filing.* The interrogatories and answers and objections thereto shall not be filed in the office of the secretary unless the board directs their filing on its own initiative or upon the request of any party prior to or during the hearing. For the purpose of any consideration of the sufficiency of any answer or any other question concerning the interrogatories, answers or objections, copies of those documents shall be made available to the board by counsel.

4. *Answers.* Each interrogatory shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objection shall be stated in lieu of an answer. The answers are to be signed by the person making them, and the objections signed by the attorney making them. The party upon whom the interrogatories have been served shall serve a copy of the answers, and objections if any, within 21 days after the service of the interrogatories. The board may allow a shorter or longer time. The party submitting the interrogatories may move for an order under paragraph 1 of subsection O with respect to any objection to or other failure to answer an interrogatory.

5. *Scope; use.* Interrogatories may relate to any matters which can be inquired into under paragraph 2 of subsection C, and the answers may be used to the extent permitted by the rules of evidence. Only such interrogatories and the answers thereto as are offered in evidence shall become a part of the record.

An interrogatory otherwise proper is not necessarily objectionable merely because an answer to the

interrogatory involves an opinion or contention that relates to fact or the application of law to fact, but the board may order that such an interrogatory need not be answered until after designated discovery has been completed or until a prehearing conference or other later time.

6. *Option to produce business records.* Where the answer to an interrogatory may be derived or ascertained from the business records of the party upon whom the interrogatory has been served or from an examination, audit or inspection of such business records, or from a compilation, abstract or summary based thereon, and the burden of deriving or ascertaining the answer is substantially the same for the party serving the interrogatory as for the party served, it is a sufficient answer to such interrogatory to specify the records from which the answer may be derived or ascertained and to afford to the party serving the interrogatory reasonable opportunity to examine, audit or inspect such records and to make copies, compilations, abstracts or summaries.

7. *Limitation on interrogatories.* No party shall serve upon any other party, at any one time or cumulatively, more than 30 written interrogatories, including all parts and subparts without leave of the board for good cause shown.

M. Production of documents and things and entry on land for inspection and other purposes; production at the hearing.

1. *Scope.* Any party may serve on any other party a request (i) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents (including writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by the respondent through detection devices into reasonably usable form), or to inspect and copy, any tangible things which constitute or contain matters within the scope of paragraph 2 of subsection C and which are in the possession, custody, or control of the party upon whom the request is served; or (ii) to produce any such documents to the board at the time of the hearing; or (iii) to permit entry upon designated land or other property in the possession or control of the party upon whom the request is served for the purpose of inspection, surveying, and photographing the property or any designated object or operation thereon, within the scope of paragraph 2 of subsection C of § 3.5.

2. *Procedure.* The request may, without leave of the board, except as provided in paragraph 4 of this subsection M, be served after commencement of the proceeding. The request shall set forth the items to be inspected either by individual item or by category,

and describe each item and category with reasonable particularity. The request shall specify a reasonable time, place, period and manner of making the inspection and performing the related acts.

The party upon whom the request is served shall serve a written response within 21 days after the service of the request. The board may allow a shorter or longer time. The response shall state, with respect to each item or category, that inspection and related activities will be permitted as requested, unless the request is objected to, in which event the reasons for objection shall be stated. If objection is made to part of an item or category, the part shall be specified. The party submitting the request may move for an order under paragraph 1 of subsection O with respect to any objection to or other failure to respond to the request or any part thereof, or any failure to permit inspection as requested.

3. *Production by a person not a party.* Upon written request therefor filed with the secretary by counsel of record for any party or by a party having no counsel in any pending case, with a certificate that a copy thereof has been mailed or delivered to counsel of record and to parties having no counsel, the secretary shall, subject to paragraph 4 of this subsection, issue a person not a party therein a subpoena which shall command the person to whom it is directed, or someone acting on his behalf, to produce the documents and tangible things (including writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by the respondent through detection devices into reasonably usable form) designated and described in said request, and to permit the party filing such request, or someone acting in his behalf, to inspect and copy any tangible things which constitute or contain matters within the scope of paragraph 2 of subsection C which are in the possession, custody or control of such person to whom the subpoena is directed, at a time and place and for the period specified in the subpoena; but, the board, upon written motion promptly made by the person so required to produce, or by the party against whom such production is sought, may (i) quash or modify the subpoena if it is unreasonable and oppressive or (ii) condition denial of the motion to quash or modify upon the advancement by the party in whose behalf the subpoena is issued of the reasonable cost of producing the documents and tangible things so designated and described.

Documents subpoenaed pursuant to this paragraph 3 of subsection M shall be returnable only to the office of the secretary unless counsel of record agree in writing filed with the secretary as to a reasonable alternative place for such return. Upon request of any party in interest, or his attorney, the secretary shall permit the withdrawal of such documents by such party or his attorney for such reasonable period of

time as will permit his inspection, photocopying, or copying thereof.

4. *Certain officials.* No request to produce made pursuant to paragraph 2 of this subsection M, above, shall be served, and no subpoena provided for in paragraph 3 of this subsection M, above, shall issue, until prior order of the board is obtained when the party upon whom the request is to be served or the person to whom the subpoena is to be directed is the Governor, Lieutenant Governor, or Attorney General of this Commonwealth, or a judge of any court thereof; the President or Vice President of the United States; any member of the President's Cabinet; any ambassador or consul; or any military officer on active duty holding the rank of admiral or general.

5. *Proceedings on failure or refusal to comply.* If a party fails or refuses to obey an order made under paragraph 2 of this subsection M, the board may proceed as provided by subsection O.

6. *Filing.* Requests to a party pursuant to paragraphs 1 and 2 of subsection M shall not be filed in the office of the secretary unless requested in a particular case by the board or by any party prior to or during the hearing.

N. Requests for admission.

1. *Request for admission.* Upon commencement of any proceedings under this Part III, a party may serve upon any other party a written request for the admission, for purposes of the pending proceeding only, of the truth of any matters within the scope of paragraph 2 of subsection C set forth in the request that relate to statements or opinions of fact or of the application of law to fact, including the genuineness of any documents described in the request. Copies of documents shall be served with the request unless they have been or are otherwise furnished or made available for inspection and copying.

Each matter of which an admission is requested shall be separately set forth. The matter is admitted unless, within 21 days after service of the request, or within such shorter or longer time as the board may allow, the party to whom the request is directed serves upon the party requesting the admission a written answer or objection addressed to the matter, signed by the party or by his attorney. If objection is made, the reasons therefor shall be stated. The answer shall specifically deny the matter or set forth in detail the reasons why the answering party cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party qualify his answer or deny only a part of the matter of which an admission is requested, he shall specify so much of it as is true and qualify or deny the remainder. An answering party may not give lack of information or knowledge

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as a reason for failure to admit or deny unless he states that he has made reasonable inquiry and that the information known or readily obtainable by him is insufficient to enable him to admit or deny. A party who considers that a matter of which an admission has been requested presents a genuine issue for hearing may not, on that ground alone, object to the request; he may, subject to the provisions of paragraph 3 of subsection O, deny the matter or set forth reasons why he cannot admit or deny it.

The party who has requested the admissions may move to determine the sufficiency of the answers or objections. Unless the board determines that an objection is justified, it shall order that an answer be served. If the board determines that an answer does not comply with the requirements of this subsection N, it may order either that the matter is admitted or that an amended answer be served. The board may, in lieu of these orders, determine that final disposition of the request be made at a prehearing conference or at a designated time prior to the hearing. The provisions of paragraph 1.d of subsection O apply to the award of expenses incurred in relation to the motion.

2. *Effect of admission.* Any matter admitted under this rule is conclusively established unless the board on motion permits withdrawal or amendment of the admission. Subject to the provisions of subsection P governing amendment of a prehearing order, the board may permit withdrawal or amendment when the presentation of the merits of the action will be subserved thereby and the party who obtained the admission fails to satisfy the board that withdrawal of amendment will prejudice him in maintaining his action or defense on the merits. Any admission made by party under this rule is for the purpose of the pending proceeding only and is not an admission by him for any other purpose nor may it be used against him in any other proceeding.

3. *Filing.* Requests for admissions and answers or objections shall be served and filed as provided in subsection L.

O. Failure to make discovery: sanctions.

1. *Motion for order compelling discovery.* A party, upon reasonable notice to other parties and all persons affected thereby, may apply to the board for an order compelling discovery as follows:

a. (Reserved)

b. *Motion.* If a deponent fails to answer a question propounded or submitted under subsections G and H, or a corporation or other entity fails to make a designation under paragraph 2, subparagraph f of subsection G and paragraph 1 of subsection H, or a party fails to answer an interrogatory submitted

under subsection L, or if a party, in response to a request for inspection submitted under subsection M, fails to respond that inspection will be permitted as requested or fails to permit inspection as requested, the discovering party may move for an order compelling an answer, or a designation, or an order compelling inspection in accordance with the request. When taking a deposition or oral examination, the proponent of the question may complete or adjourn the examination before he applies for an order.

If the board denies the motion in whole or in part, it may make such protective order as it would have been empowered to make on a motion made pursuant to paragraph 3 of subsection C.

c. *Evasive or incomplete answer.* For purposes of this subsection an evasive or incomplete answer is to be treated as a failure to answer.

d. *Award of expenses of motion.* If the motion is granted and the board finds that the party whose conduct necessitated the motion acted in bad faith, the board shall, after opportunity for hearing, require the party or deponent whose conduct necessitated the motion or the party or attorney advising such conduct or both of them to pay to the moving party the reasonable expenses incurred in obtaining the order, including attorney's fees.

If the motion is denied and the board finds that the moving party acted in bad faith in making the motion, the board shall, after opportunity for hearing, require the moving party or the attorney advising the motion or both of them to pay to the party or deponent who opposed the motion the reasonable expenses incurred in opposing the motion, including attorney's fees.

If the motion is granted in part and denied in part, the board may apportion the reasonable expenses incurred in relation to the motion among the parties and persons in a just manner.

2. Failure to comply with order.

a. *Suspension or revocation of licenses, monetary penalties, failure to comply with any order of the board under this § 3.5 (Discovery) shall constitute grounds for action by the board under § 4-37 A(1)(b) of the Code of Virginia.*

b. *Sanctions by the board.* If a party or an officer, director, or managing agent of a party or a person designated under paragraph 2.f of subsection G or paragraph 1 of subsection H to testify on behalf of a party fails to obey an order to provide or permit discovery, including an order made under paragraph 1 of this subsection, the board may make such orders in regard to the failure as are just, and

among others the following:

(1) An order that the matters regarding which the order was made or any other designated facts shall be taken to be established for the purposes of the proceeding in accordance with the claim of the party obtaining the order;

(2) An order refusing to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters in evidence;

(3) An order striking out pleadings or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the proceeding or any part thereof, or rendering a judgment or decision by default against the disobedient party.

In lieu of any of the foregoing orders or in addition thereto, if the board finds that a party acted in bad faith in failing to obey an order to provide or permit discovery, the board shall require the party failing to obey the order or the attorney advising him or both to pay the reasonable expenses, including attorney's fees, caused by the failure.

3. Expenses on failure to admit. If a party fails to admit the genuineness of any document or the truth of any matter as requested under subsection N, and if the party requesting the admissions thereafter proves the genuineness of the document or the truth of the matter, he may apply to the board for an order requiring the other party to pay him the reasonable expenses incurred in making that proof, including reasonable attorney's fees. The board shall make the order if it finds that the party failing to admit acted in bad faith. A party will not be found to have acted in bad faith if the board finds that (i) the request was held objectionable pursuant to paragraph 1 of subsection N, or (ii) the admission sought was of no substantial importance, or (iii) the party failing to admit had reasonable ground to believe that he might prevail on the matter, or (iv) there was other good reason for the failure to admit.

4. Failure of party to attend at own deposition or serve answers to interrogatories or respond to request for inspection. If a party or an officer, director or managing agent of a party or a person designated under paragraph 2f of subsection G or paragraph 1 of subsection H to testify on behalf of a party fails (i) to appear before the officer who is to take his deposition, after being served with a proper notice, or (ii) to serve answers or objections to interrogatories submitted under subsection L, after proper service of the interrogatories, or (iii) to serve a written response to the request for inspection submitted under subsection M, after proper service of the request, the board on motion may make such orders in regard to the failure as are just, among others it may take any

action authorized under subparagraphs b(1), b(2) and b(3) of paragraph 2 of this subsection. In lieu of any order or in addition thereto, if the board finds that a party in bad faith failed to act, the board shall require the party failing to act or the attorney advising him or both to pay the reasonable expenses, including attorney's fees, caused by the failure, unless the board finds that the failure was substantially justified or that other circumstances make an award of expenses unjust.

The failure to act described in this subsection may not be excused merely on the ground that the discovery sought is objectionable unless the party failing to act has applied for a protective order as provided by paragraph 3 of subsection C.

P. Prehearing procedure; formulating issues.

1. The board may in its discretion direct the attorneys for the parties to appear before it for a conference to consider;

a. A determination or clarification of the issues;

b. A plan and schedule of discovery;

c. Any limitations on the scope and methods of discovery, including deadlines for the completions of discovery;

d. The necessity or desirability of amendments to the pleadings;

e. The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof, as well as obtaining stipulations as to the evidence;

f. The limitation of the number of expert witnesses;

g. The possibility of filing bills of particulars and grounds of defense by the respective parties;

h. Such other matters as may aid in the disposition of the action.

2. The board shall make an order which recites the action taken at the conference, the amendments allowed to the pleadings, the agreements made by the parties as to any of the matters considered, and which limits the issues for trial to those not disposed of by admissions or agreements of counsel; and such order when entered controls the subsequent course of the action, unless modified at the hearing to prevent manifest injustice.

Q. Disposition of discovery material.

Any discovery material not admitted in evidence filed in the secretary's office may be destroyed by the secretary after one year after entry of the final order or decision.

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But if the proceeding is the subject of an appeal, such material shall not be destroyed until the lapse of one year after receipt of the decision or mandate on appeal or the entry of any final judgment or decree thereafter.

R. Interlocutory appeals to the board.

If any party to a proceeding under Part III of VR 125-01-1 is aggrieved by a decision or order of the hearing officer(s) relating to discovery or other matters contained in this section, such aggrieved party may appeal such interlocutory decision or order to the board pursuant to VR 125-01-1, Part III, § 2.1.

Title of Regulations: VR 125-01-2. Advertising.

Statutory Authority: § 4-11 of the Code of Virginia.

Public Hearing Date: November 19, 1987 - 10 a.m.
(See Calendar of Events section
for additional information)

Summary:

The amendment to § 1 allows the alcoholic beverage industry to use present or former athletes or athletic teams in their advertising by deleting a portion of § 1.F.3.

The proposed amendment to § 2 permits retailers to have interior advertising of any brand of alcoholic beverages sold in their state; provided, that such advertising materials are printed materials which are not furnished by manufacturers or wholesalers of alcoholic beverages.

Section 2 also amends the regulation to permit retailers to give patrons point-of-sales materials on contests and sweepstakes in retail establishments as long as no purchase is required and the point-of-sale is restricted to cut case cards.

Section 6 amends the regulation to permit order blanks at the point-of-sale for novelty and specialty items on cut case cards.

Section 9 amends the regulation to define and give an example of "normal retail price."

The proposed amendment to § 10 allows distilleries, wineries and breweries to sponsor public events for an unlimited duration, such as a football team for the entire season. Also, such manufacturers could sponsor cultural events.

VR 125-01-2. Advertising.

§ 1. Advertising generally; cooperative advertising; federal laws; beverages and cider; exceptions; restrictions.

A. Generally. All alcoholic beverages and beverage advertising is permitted in this state *Commonwealth* except that which is prohibited or otherwise limited or restricted by this regulation and those following, and such advertising shall not be blatant or obtrusive. Any editorial or other reading matter in any periodical or publication or newspaper for the publication of which no money or other valuable consideration is paid or promised, directly or indirectly, by any permittee does not constitute advertising.

B. Cooperative advertising. There shall be no cooperative advertising as between a producer, manufacturer, bottler, importer or wholesaler and a retailer of alcoholic beverages. The term "cooperative advertising" shall mean the payment or credit directly or indirectly by any manufacturer, bottler, importer or wholesaler whether licensed in this state *Commonwealth* or not to a retailer for all or any portion of advertising done by the retailer.

C. Federal laws. Advertising regulations adopted by the appropriate federal agency pertaining to alcoholic beverages shall be complied with except where they conflict with regulations of the board.

D. Beverages and cider. Advertising of beverages, and cider as defined in § 4-27 of the Code of Virginia, shall conform with the requirements of advertising beer.

E. Exceptions. The board may issue a permit authorizing a variance from these advertising regulations for good cause shown.

F. Restrictions. No advertising shall contain any statement, symbol, depiction or reference that:

1. Would intend to induce minors to drink, or would tend to induce persons to consume to excess;
2. Is lewd, obscene or indecent, or depicts any person or group of persons which is immodest, undignified or in bad taste, or is suggestive of any illegal activity;
3. Incorporates the use of any present or former athlete or athletic team or implies that the product enhances athletic prowess;
4. Is false or misleading in any material respect, or implies that the product has a curative or therapeutic effect, or is disparaging of a competitor's product;
5. Implies or indicates, directly or indirectly, that the product is government endorsed by the use of flags, seals or other insignia or otherwise;
6. Makes any reference to the intoxicating effect of any alcoholic beverages;
7. Makes any appeal to order alcoholic beverages by mail;
8. Offers a special price on alcoholic beverages, unless

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such advertisement significantly conforms in size and content to the advertising of nonalcoholic merchandise offered for sale, except for coupons offered by manufacturers as provided in § 9 of these regulations.

9. Is a contest or other offer to pay anything of value to a consumer where a purchase is required for participation.

§ 2. Advertising; interior; retail licensees; show windows.

A. Interior advertising generally. The advertising of alcoholic beverages inside retail establishments is within the discretion of the licensee, with the following exceptions:

1. No references may be made to any brand or manufacturer of alcoholic beverages offered for sale in this state *Commonwealth* on decorations, materials or furnishings on or supported by any wall, ceiling, floor or counter, unless such references are:

- a. Contained in works of art;
- b. Displayed in connection with the sale over the counter of novelty and specialty items as provided in § 6 of these regulations.
- c. Used in connection with the sponsorship of conservation and environmental, athletic and sporting, or charitable events in accordance with § 10 of these regulations.
- d. Displayed on service items such as placemats, coasters, glasses and table tents.

Further, alcoholic beverage brands or manufacturer references may be contained in wine "neckers," recipe booklets and brochures relating to the wine manufacturing process, vineyard geography and history of a wine manufacturing area, which ~~must~~ *shall* be shipped in the case.

e. Used in printed paper advertising materials which may be displayed, provided such material is not obtained, directly or indirectly, from any manufacturer, bottler, wholesaler or importer of alcoholic beverages.

2. Advertising materials regarding responsible drinking or moderation in drinking may not be used inside licensed retail establishments except under the following conditions:

- a. Such materials shall contain no depictions of an alcoholic beverage product and no reference to any brands of alcoholic beverages;
- b. Such materials shall contain no more than two minor references to the name of the alcoholic beverage manufacturer or its corporate logo;

c. Such materials are limited to posters of reasonable size and table tents.

d. Such materials shall be approved in advance by the board.

3. Each draft beer knob ~~must~~ *shall* indicate the brand of beer offered for sale.

4. *Point-of-sale entry blanks, relating to contest and sweepstakes, may be affixed to cut case cards as defined in § 9.F of VR 125-01-3. Beer and wine wholesalers may attach such entry blanks to cut case cards at the retail premises, if done for all retail licensees and after obtaining the consent, which may be a continuing consent, of each retailer or his representative. Wholesale licensees in Virginia may not put entry blanks on the package at the wholesale premises and entry blanks may not be shipped in the case to retailers.*

B. Manufacturers, wholesalers, etc. No manufacturer, bottler, wholesaler or importer of alcoholic beverages, whether licensed in this state *Commonwealth* or not, may directly or indirectly sell, rent, lend, buy for or give to any retailer any advertising materials, decorations or furnishings under any circumstances otherwise prohibited by law, nor may any retailer induce, attempt to induce, or consent to any such supplier of alcoholic beverages furnishing such retailer any such advertising. However, furnishing materials relating to moderation in drinking or responsible drinking programs is permitted subject to the provisions of paragraph A.2 of this section.

C. Show windows. No advertising of alcoholic beverages, may be displayed in show windows facing outside the licensed establishment except that contained on table menus, or on newspaper tear sheets, provided such alcoholic beverage advertising is subordinate in size to the main advertising matter.

§ 6. Advertising; novelties and specialties.

A. Distribution of novelty and specialty items, including wearing apparel, bearing alcoholic beverage advertising, shall be subject to the following limitations and conditions:

1. Only items not in excess of \$2.00 in wholesale value may be given away.

2. Items in excess of \$2.00 in wholesale value may be donated by distilleries, wineries and breweries only to participants or entrants in connection with the sponsorship of conservation and environmental programs, events of a charitable nature or athletic or sporting events, but otherwise ~~must~~ *shall* be sold at the reasonable open market price:

- a. By mail upon request, and
- b. Over the counter at retail establishments

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customarily engaged in the sale of novelties and specialties.

3. Wearing apparel distributed ~~must~~ *shall* be in adult sizes.

4. *Point-of-sale order blanks, relating to novelty and specialty items, may be affixed to cut case cards as defined in § 9.F of VR 125-01-3. Beer and wine wholesalers may attach such order blanks to cut case cards at the retail premises, if done for all retail licensees equally and after obtaining the consent, which may be a continuing consent, of each retailer or his representative. Wholesale licensees in Virginia may not put order blanks on the package at the wholesale premises and order blanks may not be shipped in the case to retailers.*

§ 9. Advertising; coupons.

A. *Definitions. "Normal retail price" shall mean the average retail price of the brand and size of the product in a given market, and not a reduced or discounted price.*

B. Coupons may be advertised in accordance with the following conditions and restrictions:

~~A. 1.~~ Manufacturers of spirits, wine and beer may use only refund, not discount coupons. The coupons may not be honored at a retail outlet but ~~must~~ *shall* be mailed directly to the manufacturer or its designated agent. Such agent may not be a wholesaler or retailer of alcoholic beverages. Coupons are permitted in the print media, by direct mail to consumers or as part of, or attached to, the package. Coupons may be part of, or attached to, the package only if the winery or brewery put them on at the point of manufacture. Wholesale licensees in Virginia may not put them on the package at the wholesale premises and coupons may not be shipped in the case to retailers.

~~B. 2.~~ Manufacturers offering coupons on distilled spirits and wine sold in state government stores ~~must~~ *shall* notify the board at least 45 days in advance of issuance of the coupons of its amount, its expiration date and the area of the ~~state~~ *Commonwealth* in which it will be primarily used, if not used statewide.

~~C. 3.~~ Wholesale licensees of the board are not permitted to offer coupons.

~~D. 4.~~ Retail licensees of the board may offer coupons on wine and beer sold for off-premises consumption only. Retail licensees may offer coupons in the print media, at the point-of-sale or by direct mail to consumers. Coupons offered by retail licensees ~~must~~ *shall* appear in an advertisement with nonalcoholic merchandise and conform in size and content to the advertising of such merchandise.

~~E. 5.~~ No retailer may be paid a fee by manufacturers

or wholesalers of alcoholic beverages for display or use of coupons; the name of the retail establishment may not appear on any coupons offered by manufacturers and no manufacturer or wholesaler may furnish any coupons or materials regarding coupons to retailers.

~~F. 6.~~ Retail licensees or employees thereof may not receive refunds on coupons obtained from the packages before sale at retail.

~~G. 7.~~ No coupons may be honored for any individual below the legal age for purchase.

§ 10. Advertising; sponsorship of public events; restrictions and conditions.

A. Generally. Alcoholic beverages advertising in connection with the sponsorship of public events shall be limited to sponsorship of conservation and environmental programs, *professional, semi-professional, or amateur* athletic and sporting events and events of a charitable or cultural nature by distilleries, wineries, and breweries.

B. Restrictions and conditions:

~~1.~~ Programs and events on a *college*, high school or younger age level and ~~college intramural events~~ are prohibited.

~~2.~~ Events on an *amateur, semi-professional or intercollegiate level*, are prohibited except for manufacturers of beer. ~~Intercollegiate events must be approved in advance by the appropriate educational institutions.~~

~~3. 2.~~ Cooperative advertising as defined in § 1 of these regulations is prohibited.

~~4. 3.~~ Awards or contributions of alcoholic beverages are prohibited.

~~5. 4.~~ Advertising of alcoholic beverages ~~must~~ *shall* conform in size and content to the other advertising concerning the event and advertising regarding charitable events ~~must~~ *shall* place primary emphasis on the charitable and fund raising nature of the event.

~~6. 5.~~ A charitable event is one held for the specific purpose of raising funds for a charitable organization which is exempt from federal and state taxes.

~~7. 6.~~ Advertising in connection with the sponsorship of an event may be only in the media, on the inside of licensed or unlicensed retail establishments and at the site of the event.

~~8. 7.~~ Point-of-sale advertising materials may not be furnished to retailers by manufacturers, bottlers, or wholesalers. However, at the request of the charity involved, employees of a wholesale licensee may

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deliver and place such material relating to charitable events which have been furnished to them by the charity involved. Wholesale licensees of the board may deliver to retailers point-of-sale advertising materials relating to charitable events which have been furnished to them by a third party provided that the charity involved so requests.

9. 8. Point-of-sale advertising shall be limited to counter cards, cannisters and table tents of reasonable size.

10. Public events permissible for sponsorship must be of limited duration such as tournament or limited fund raising events. An entire season of activities such as a college football season may not be sponsored.

11. 9. Prior written notice of the event must shall be submitted to the board describing the nature of the sponsorship and giving the date, time and place of it.

12. 10. Manufacturers may sponsor public events and wholesalers may only cosponsor charitable events.

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Title of Regulation: VR 125-01-3. Tied-House.

Statutory Authority: § 4-11 of the Code of Virginia.

Public Hearing Date: November 19, 1987 - 10 a.m.
(See Calendar of Events section
for additional information)

Summary:

Section 9 amends the regulation to permit the use of three-dimensional printed matter for wine or beer cut case cards and to measure its maximum authorized size.

The regulation is also amended to permit beer manufacturers and wholesalers to furnish retail licensees beer table tents and beer clip-ons.

VR 125-01-3. Tied-House.

§ 9. Inducements to retailers; tapping equipment; bottle or can openers; banquet licensees; cut case cards; clip-ons and table tents.

A. Beer tapping equipment. Any manufacturer, bottler or wholesaler may sell, rent, lend, buy for or give to any retailer, without regard to the value thereof, the following:

1. Draft beer knobs, containing advertising matter which must shall include the brand name and may further include only trademarks, housemarks and slogans and shall not include any illuminating devices or be otherwise adorned with mechanical devices which are not essential in the dispensing of draft

beer.

2. Tapping equipment, defined as all the parts of the mechanical system required for dispensing draft beer in a normal manner from the carbon dioxide tank through the beer faucet excluding the following:

- a. The carbonic acid gas in containers, except that such gas may be sold only at the reasonable open market price in the locality where sold;
- b. Gas pressure gauges (may be sold at cost);
- c. Draft arms or standards;
- d. Draft boxes;
- e. Refrigeration equipment or components thereof.

Further, a manufacturer, bottler or wholesaler may sell, rent or lend to any retailer, for use only by a purchaser of draft beer in kegs or barrels from such retailer, whatever tapping equipment may be necessary for the purchaser to extract such draft beer from its container.

B. Wine tapping equipment. Any manufacturer, bottler or wholesaler may sell to any retailer and install in the retailer's establishment tapping accessories such as standards, faucets, rods, vents, taps, tap standards, hoses, cold plates, washers, couplings, gas gauges, vent tongues, shanks, and check valves, if the tapping accessories are sold at a price not less than the cost of the industry member who initially purchased them, and if the price is collected within 30 days of the date of sale.

Wine tapping equipment shall not include the following:

1. Draft wine knobs, which may be given to a retailer;
2. Carbonic acid gas, nitrogen gas, or compressed air in containers, except that such gases may be sold in accordance with the reasonable open market prices in the locality where sold and if the price is collected within 30 days of the date of the sales.
3. Mechanical refrigeration equipment.

C. Any beer tapping equipment may be converted for wine tapping by the beer wholesaler who originally placed the equipment on the premises of the retail licensee provided that such beer wholesaler is also a wine wholesaler licensee. Moreover, at the time such equipment is converted for wine tapping, it must shall be sold, or have previously been sold, to the retail licensee at a price not less than the initial purchase price paid by such wholesaler.

D. Bottle or can openers. Any manufacturer, bottler or wholesaler of wine or beer may sell or give to any retailer bottle or can openers upon which advertising matter regarding alcoholic beverages may appear,

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provided the wholesale value of any such openers given to a retailer by an individual manufacturer, bottler or wholesaler does not exceed \$2.00. Openers in excess of \$2.00 in wholesale value may be sold, provided the reasonable open market price is charged therefor.

E. Banquet licensees. Manufacturers or wholesalers of wine or beer may sell at the reasonable wholesale price to banquet licensees paper or plastic cups upon which advertising matter regarding wine or beer may appear.

F. Cut case cards. Any manufacturer, bottler or wholesaler of wine or beer may sell, lend, buy for or give to any retailer of wine or beer cut case cards, which are defined as promotional, nonmechanical, two-dimensional or three-dimensional printed matter no larger than double triple the largest single dimension of the case product to which they refer for use in displaying and advertising in the interior of his establishment other than in exterior windows, the sale of beer or wines having an alcoholic content of 21% or less by volume, provided such manufacturer, bottler or wholesaler in furnishing such cards conforms with the regulations of the appropriate federal agency, relating to inside signs. Such printed matter ~~must~~ shall be supported by or affixed to, and be an integral part of, the case display. Such printed matter may be supported by a device other than the case itself. With the consent of the retail licensee, which may be a continuing consent, a wholesaler may mark or affix retail prices on such cut case cards.

G. Wine and beer clip-ons and table tents. Any manufacturer, bottler or wholesaler of wine or beer may sell, lend, buy for or give to any retailer of wine or beer, clip-ons and table tents containing the listing of not more than four wines or beers.

H. A retail licensee who consents to any violation of this section shall also be in violation.

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Title of Regulation: VR 125-01-4. Requirements for Product Approval.

Statutory Authority: § 4-11 of the Code of Virginia.

Public Hearing Date: November 19, 1987 - 10 a.m.
(See Calendar of Events section for additional information)

Summary:

The amendment deletes subsection B.2 of § 2 because the board will not disqualify a wine merely because it contains fruit juices or coloring.

VR 125-01-4. Requirements for Product Approval.

§ 2. Wines, qualifying procedures; disqualifying factors; samples; exceptions.

A. Qualifying procedures. All wines sold in the Commonwealth shall be first approved by the board as to content, container and label.

1. A certification acceptable to the board or on a form prescribed by the board describing the merchandise may accompany each new brand and type of wine offered for sale in the Commonwealth. A certification fee and a registration fee in such amounts as may be established by the board shall be included with each new certification.

2. In lieu of the aforementioned certification, there shall be submitted a sample and registration and analysis fees in such amounts as may be established by the board; provided, however, that wine already offered for sale by another state with which this Commonwealth has an analysis and certification exchange agreement and wine sold through government stores shall be subject only to a registration fee in such amount as may be established by the board.

3. All wine sold in this Commonwealth shall conform with regulations adopted by the appropriate federal agency, relating to labels, definitions and standards of identity. Applicants shall submit a certified copy of the approval of the label by such federal agency.

4. Subsequent sales under an approved label shall conform to the certification and analysis of the wine originally approved by the board.

5. The board may approve a wine without benefit of a certification or analysis for good cause shown. Good cause includes, but is not limited to, wine which is rare.

B. Disqualifying factors as to contents. While not limited thereto, the board shall withhold approval of any wine:

1. Which is an imitation or substandard wine as defined under regulations of the appropriate federal agency;

2. To which fruit juice, or artificial coloring has been added, except fruit juice and artificial coloring may be contained in wine coolers containing 14% or less alcohol by volume and in sangria-type wines;

3. 2. If the alcoholic content exceeds 21% by volume;

4. 3. Which is a wine cocktail containing any ingredient other than wine.

C. Disqualifying factors as to labels. While not limited thereto, the board shall withhold approval of any label:

1. Which contains the name of a cocktail generally understood to contain spirits;

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2. Where the name of a state is used as a designation of the type of wine, but the contents do not conform to the wine standards of that state;
3. Which contains the word "cocktail" without being used in immediate conjunction with the word "wine" in letters of the same dimensions and characteristics, except labels for sherry wine;
4. Which contain the word "fortified" or implies that the contents contain spirits, except that the composition and alcoholic content may be shown if required by regulations of an appropriate federal agency.
5. Which contains any subject matter or illustration of a lewd, obscene or indecent nature.
6. Which contains subject matter designed to induce minors to consume alcoholic beverages, or is suggestive of the intoxicating effect of wine;
7. Which contains any reference to a game of chance;
8. Which contains any design or statement which is likely to mislead the consumer.

D. Samples. A person holding a license as a winery, farm winery or a wholesale wine distributor shall upon request furnish the board without compensation a reasonable quantity of such brand sold by him for chemical analysis; provided, however, that the board may require recertification of the merchandise involved in lieu of such a sample. A fee in such amount as may be established by the board shall be included with each recertification.

E. Exceptions. Any wine whose content, label or container does not comply with all requirements of this section shall be exempt therefrom provided that such wine was sold at retail in this Commonwealth as of December 1, 1960, and remains the same in content, label and container.

* * * * *

Title of Regulations: VR 125-01-5. Retail Operations.

Statutory Authority: § 4-11 of the Code of Virginia.

Public Hearing Date: November 19, 1987 - 10 a.m.
See Calendar of Events section
for additional information)

Summary:

Section 1 amends the regulation to prohibit the sale and consumption of beer by a person under the age of 21 years. Section 2 amends the regulation by deleting any independent reference to "Virginia's operator's license" and substituting "Department of

Motor Vehicles" for the "Virginia Division of Motor Vehicles."

Section 10 amends this regulation to reduce the monetary qualifications for monthly sales and inventory of specialty shops from \$2,000 to \$750. The proposed amendment to § 11 defines designated room as a room "or area" to be approved by the board. Section 18 has been added and allows volunteer fire departments and rescue squads to exercise the privileges of banquet facility licenses on premises other than their stations which are under their control.

VR 125-01-5. Retail Operations.

§ 1. Restrictions upon sale and consumption of alcoholic beverages and beverages.

A. Prohibited sales. Except as may be otherwise permitted under § 4-48 or 4-50 of the Code of Virginia, no licensee shall sell any alcoholic beverage or beverage to a person whom he shall know or have reason at the time to believe is:

1. Under the age of 21 years, ~~except as to beer and beverages, as provided herein.~~
2. Is intoxicated.
3. Is an interdicted person.

~~No licensee shall sell beer or beverages to another person whom he shall know or have reason at the time to believe had not attained the age of 19 by July 1, 1985.~~

B. Prohibited consumption. No licensee shall allow the consumption of any alcoholic beverage or beverage upon his licensed premises by any person to whom such alcoholic beverage or beverage may not lawfully be sold under this section.

§ 2. Determination of legal age of purchaser.

A. In determining whether a licensee, or his employee or agent, has reason to believe that a purchaser is not of legal age, the board will consider, but is not limited to, the following factors:

1. Whether an ordinary and prudent person would have reason to doubt that the purchaser is of legal age based on the general appearance, facial characteristics, behavior and manner of the purchaser.
2. Whether the seller demanded, was shown and acted in good faith in reliance upon bona fide evidence of legal age, as defined herein, and that evidence contained a photograph and physical description consistent with the appearance of the purchaser.

B. Such bona fide evidence of legal age shall include a

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valid Virginia operator's or chauffeur's license, a valid operator's or chauffeur's license issued by any other state or motor vehicle driver's license issued by any state of the United States or the District of Columbia, Armed Forces identification card, United States passport or foreign government visa, valid special identification card issued by the Virginia ~~Division~~ Department of Motor Vehicles, or any valid identification issued by any other federal or state government agency, which identification shall ~~contains~~ contain a photograph and signature of the subject, with the subject's height, weight and date of birth.

C. It shall be incumbent upon the licensee, or his employee or agent, to scrutinize carefully the identification, if presented, and determine it to be authentic and in proper order. Identification which has been altered so as to be apparent to observation or has expired shall be deemed not in proper order.

§ 10. Definitions and qualifications for retail off-premises wine and beer licenses and off-premises beer licenses; exceptions; further conditions; temporary licenses.

A. Wine and beer. Retail off-premises wine and beer licenses may be issued to persons operating the following types of establishments provided the total monthly sales and inventory (cost) of the required commodities listed in the definitions are not less than those shown:

1. Delicatessen. An establishment which sells a variety of prepared foods or foods requiring little preparation such as cheeses, salads, cooked meats and related condiments.

Monthly sales..... \$2,000

Inventory (cost)..... \$2,000

2. Drugstore. An establishment selling medicines prepared by a registered pharmacist according to prescription and other medicines and articles of home and general use.

Monthly sales..... \$3,500

Inventory (cost)..... \$3,500

3. Grocery store. An establishment which sells edible items intended for human consumption, including a variety of staple foodstuffs used in the preparation of meals.

Monthly sales..... \$2,000

Inventory (cost)..... \$2,000

4. Convenience grocery store. An establishment which has an enclosed room in a permanent structure where stock is displayed and offered for sale, and which sells edible items intended for human consumption, consisting of a variety of such items of the type

normally sold in grocery stores, and does not sell any petroleum related service with the sale of petroleum products.

Monthly sales..... \$2,000

Inventory (cost)..... \$2,000

In regard to both grocery stores and convenience grocery stores, edible items shall mean such items normally used in the preparation of meals, including liquids, and which ~~must~~ shall include a variety (at least five) of representative items from each of the basic food groups: dairy, meat, grain, vegetables and fruit.

5. Specialty shop. An establishment provided with adequate shelving and storage facilities which sell products such as cheese and gourmet foods.

Monthly sales..... ~~\$2,000~~ \$750

Inventory (cost)..... ~~\$2,000~~ \$750

B. Beer. Retail off-premises beer licenses may be issued to persons operating the following types of establishments provided the total monthly sales and inventory (cost) of the required commodities listed in the definitions are not less than those shown:

1. Delicatessen. An establishment as defined in subsection A above.

Monthly sales..... \$1,000

Inventory (cost)..... \$1,000

2. Drugstore. An establishment as defined in subsection A above.

Monthly sales..... \$1,500

Inventory (cost)..... \$1,500

3. Grocery store. An establishment as defined in subsection A above.

Monthly sales..... \$1,000

Inventory (cost)..... \$1,000

4. Marina store. An establishment operated by the owner of a marina which sells food and nautical and fishing supplies.

Monthly sales..... \$750

Inventory (cost)..... \$750

C. Exceptions. The board may grant to an establishment not meeting the qualifying figures in A and B above provided it affirmatively appears that there is a substantial

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public demand for such an establishment and that public convenience will be promoted by the issuance of the license.

D. Further conditions. The board in determining the eligibility for a license of an establishment shall give consideration to, but shall not be limited to, the following:

1. The extent to which sales of required commodities are secondary or merely incidental to sales of all products sold in such establishment.
2. The extent to which a variety of edible items of the types normally found in grocery stores are sold.
3. The extent to which such establishment is constructed, arranged or illuminated to allow reasonable observation of the age and sobriety of purchasers of alcoholic beverages.

E. Temporary licenses. Notwithstanding the above the board may issue a temporary license for any of the above retail operations. Such licenses may be issued only after application has been filed in accordance with the provisions of § 4-30 of the Code of Virginia and in cases where the sole objection to issuance of a license is that the establishment will not be qualified in terms of the sale of food or edible items. If a temporary license is issued, the board shall conduct an audit of the business after a reasonable period of operation not to exceed 180 days. Should the business be qualified, the license applied for may be issued. If the business is not qualified, the application will become the subject of a hearing if the applicant so desires. No further temporary license shall be issued to the applicant or to any other person with respect to that establishment for a period of one year from the expiration and, once the application becomes the subject of a hearing, no temporary license may be issued.

§ 11. Definitions and qualifications for retail on-premises and on-and-off premises licenses generally; mixed beverage licensee requirements; exceptions; temporary licenses.

A. Generally. The following definitions shall apply to retail licensees and mixed beverage licensees where appropriate:

1. Designated room. A room or area in which a licensee may exercise the privilege of his license, the location, equipment and facilities of which room or area have been approved by the board.
2. Dining car, buffet car or club car. A vehicle operated by a common carrier of passengers by rail, in interstate or intrastate commerce and in which food and refreshments are sold.
3. "Meals." In determining what constitutes a "meal" as the term is used in this section, the board may consider the following factors, among others:

a. The assortment of foods commonly offered for sale.

b. The method and extent of preparation and service required.

c. The extent to which the food served would be considered a principal meal of the day as distinguished from a snack.

4. "Habitual" sales. In determining what constitutes "habitual" sales of specific foods the board may consider the following factors, among others:

a. The business hours observed as compared with similar type businesses.

b. The extent to which such food or other merchandise is regularly sold.

c. Present and anticipated sales volume in such food or other merchandise.

5. "Sale" and "sell." The definition of "sale" and "sell" in VR 125-01-7 § 9 of these regulations shall apply to this section.

B. Wine and beer. Retail on- or on-and-off premises licenses may be granted to persons operating the following types of establishments provided the total monthly food sales for consumption in dining rooms and other designated rooms on the premises are not less than those shown:

1. Boat. A common carrier of passengers operating by water on regular schedules in interstate or intrastate commerce, habitually serving in a dining room meals prepared on the premises.

Monthly sales..... \$3,000

2. Restaurant. A bona fide dining establishment habitually selling meals with entrees and other foods prepared on the premises.

Monthly sales..... \$3,000

3. Hotel. Any duly licensed establishment, provided with special space and accommodation, where, in consideration of payment, meals with entrees and other food prepared on premises and lodging are habitually furnished to persons and which has 10 or more bedrooms.

Monthly sales..... \$3,000

In regard to both restaurants and hotels at least \$1,000 of the required monthly sales must be in the form of meals with entrees.

C. Beer. Retail on- or on-and-off premises licenses may

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be granted to persons operating the following types of establishments provided the total monthly food sales for consumption in dining rooms on the premises are not less than those shown:

1. Boat. A common carrier of passengers operating by water on regular schedules in interstate or intrastate commerce, habitually serving in a dining room food prepared on the premises.

Monthly sales..... \$1,800

2. Restaurant. An establishment habitually selling food prepared on the premises.

Monthly sales..... \$1,800

3. Hotel. See B.3 above.

Monthly sales..... \$1,800

4. Tavern. An establishment where food and refreshment, including beer or beverages, are habitually sold for on-premises consumption.

D. Mixed beverage licenses. The following shall apply to mixed beverage licenses where appropriate:

1. Bona fide, full-service restaurant. An established place of business where meals with substantial entrees are habitually sold to persons and which has adequate facilities and sufficient employees for cooking, preparing and serving such meals for consumption at tables in dining rooms on the premises. In determining the qualifications of such restaurant the board may consider the assortment of entrees and other food sold. Such restaurants shall include establishments specializing in full course meals with a single substantial entree.

2. Monetary sales requirements. The monthly sale of food prepared on the premises shall not be less than \$5,000 of which at least \$3,000 shall be in the form of meals with entrees.

3. Dining room. A public room in which meals are regularly sold at substantially all hours that mixed beverages are offered for sale therein.

4. Designated room. A public room the location, equipment and facilities of which have been approved by the board. The facilities shall be such that patrons may purchase food prepared on the premises for consumption at tables on the premises at all times the mixed beverages are offered for sale therein. The seating area or areas of such designated room or rooms shall not exceed the seating area of the required public dining room or rooms, nor shall the seating capacity of such room or rooms be included in determining eligibility qualifications.

5. Outside terraces or patios. An outside terrace or patio, the location, equipment and facilities of which have been approved by the board may be approved as a "dining room" or as a "designated room" in the discretion of the board but the seating capacity of an outside "dining room" or "designated room" shall not be included in determining eligibility qualifications of the establishment, and generally a location adjacent to a public sidewalk, street or alley will not be approved where direct access is permitted from such sidewalk, street or alley by more than one well-defined entrance therefrom.

6. Tables and counters.

a. A "table" shall be considered to be an article of furniture generally having a flat top surface supported by legs, a pedestal or a solid base and designed to accommodate the serving of food and refreshments (though such food and refreshments need not necessarily be served together) and provided with seating for customers. If any table is located between two-backed benches, commonly known as a booth, at least one end of the structure shall be open permitting an unobstructed view therein.

b. While the definition of a "table" set forth above shall be sufficient to include a "counter," insofar as the surface area is concerned, a "counter" shall have characteristics sufficient to make it readily distinguishable from the "tables" used by the licensee, either by the manner of service and use provided, or by the type of seating provided for patrons, or both regards. Counters shall be located only in dining rooms or designated rooms as defined in D.3 and 4, and the length of the counter shall not exceed one foot for each qualifying seat at the tables in such dining or designated room including employee service areas.

c. This subsection shall not be applicable to a room otherwise lawfully in use for private meetings and private parties limited in attendance to members and guest of a particular group.

E. Exceptions. The board may grant a license to an establishment not meeting the qualifying figures in this section, provided the establishment otherwise is qualified under the applicable provisions of the Code of Virginia and this section, if it affirmatively appears that there is a substantial public demand for such an establishment and that the public convenience will be promoted by the issuance of the license.

F. Temporary licenses. Notwithstanding the above the board may issue a temporary license for any of the above retail operations. Such licenses may be issued only after application has been filed in accordance with the provisions of § 4-30 of the Code of Virginia, and in cases where the sole objection to issuance of a license is that

the establishment will not be qualified in terms of the sale of food or edible items. If a temporary license is issued, the board shall conduct an audit of the business after a reasonable period of operation not to exceed 180 days. Should the business be qualified, the license applied for may be issued. If the business is not qualified, the application will become the subject of a hearing if the applicant so desires. No further temporary license shall be issued to the applicant or to any other person with respect to the establishment for a period of one year from expiration and, once the application becomes the subject of a hearing, no temporary license may be issued.

§ 18. Volunteer fire departments or volunteer rescue squads; banquet facility licenses.

A. Qualifications. Pursuant to § 4-25(pl) of the Code of Virginia, the board may grant banquet facility licenses to volunteer fire departments and volunteer rescue squads:

1. Providing volunteer fire or rescue squad services, and

2. Has as its premises a fire or rescue squad station regularly occupied by such fire department or rescue squad duly recognized by the governing body of the city, county or town in which it is located.

B. Privileges. The license authorizes the following:

1. The consumption of legally acquired alcoholic beverages on the premises of the licensee or on premises other than such fire or rescue squad station which are occupied and under the control of the licensee while the privilege of its license is being exercised, by any person, association, corporation or other entity, and bona fide members and guests thereof, otherwise eligible for a banquet license and entitled to such privilege for a private affair or special event.

C. Restrictions and conditions. In addition to other applicable statutes and regulations of the board, the following restrictions and conditions apply to persons holding such banquet licenses:

1. Alcoholic beverages cannot be sold or purchased by the licensee.

2. Alcoholic beverages cannot be sold or charged for in any way by the person, association, corporation or other entity permitted to use the premises.

3. The private affair referred to in B.1 above, shall be a social function which is attended only by persons who are members of the association, corporation or other entity and their bona fide guests.

4. The volunteer fire department or rescue squad shall notify the board in writing at least two calendar days in advance of any affair or event at which the license

will be used away from the fire department or rescue squad station. The notice shall include the date, time, location and address of the event and the identity of the group, and the affair or event. Such records of off-site affairs and events should be maintained at the fire department or rescue squad station for a period of two years.

5. A photocopy of the banquet facility license shall be present at all affairs or events at which the privileges of the license are exercised away from the fire or rescue squad station.

6. The fire department or rescue squad shall comply with the requirements of the local governing body concerning sanitation, health, construction or equipment and shall obtain all local permits or licenses which may be required to exercise the privilege of its license.

BOARD OF GAME AND INLAND FISHERIES

Note: The Board of Game and Inland Fisheries is exempt from the Administrative Process Act (§ 9-6.14:4.1 of the Code of Virginia); however, it is required by § 9-6.14.22 to publish all proposed and final regulations.

Title of Regulation: VR 325-01. In General.

Statutory Authority: § 29.1-566 of the Code of Virginia.

Effective Date: October 1, 1987.

Public Hearing Notice:

The Board of Game and Inland Fisheries has ordered to be published, pursuant to §§ 29.1-501, 29.1-502 and 29.1-566 of the Code of Virginia, the following proposed new and amended board regulations, applicable Statewide. A public hearing on the advisability of adopting, or amending and adopting, the proposed regulations, or any part thereof, will be held at the board's offices, 4010 West Broad Street, Richmond, Virginia, beginning at 9:30 a.m. on Friday, August 28, 1987, at which time any interested citizen present shall be heard. If the board is satisfied that the proposed regulations, or any part thereof, are advisable, in the form in which published or as amended as a result of the public hearing, the board may adopt such proposals at that time, acting upon the proposals separately or in block.

Summary:

Summaries are not provided since, in most instances, the summary would be as long or longer than the full text.

VR 325-01-1. IN GENERAL.

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§ 13. Endangered species.

A. The board hereby adopts the Federal Endangered and Threatened Species List, and declares all species listed thereon to be endangered or threatened species in the Commonwealth.

B. In addition to the provisions of subsection A, the following species are declared endangered in this Commonwealth, and are afforded the protection provided by Article 6, Chapter 5, Title 29.1 of the Code of Virginia:

1. Fish:

Blackbanded sunfish	Enneacanthus chaetodon
Sharphead darter	Etheostoma acuticeps
Carolina darter	Etheostoma collis
Blueside darter	Etheostoma jessiae
Tippecanoe darter	Etheostoma tippecanoe
Orangefin madtom	Noturus gilberti

2. Amphitians:

Eastern tiger salamander	Ambystoma tigrinum
Shenandoah salamander	Plethodon shenandoah

3. Reptiles:

Bog turtle	Clemmys muhlenbergii
Chicken turtle	Deirochelys reticularia

4. Birds:

Wilson's plover	Charadrius wilsonia
Bewick's wren	Thryomanes bewickii
Loggerhead shrike	Lanius ludovicianus

5. Mammals:

Water shrew	Sorex palustris
Fisher	Martes pennanti
Rafinesque's big-eared bat	Plecotus rafinesquii

6. Molluscs:

James River spiny mussel	Canthyria collina
Cumberland combshell	Epioblasma brevidens
Oyster pearly mussel	Epioblasma capsaeformis
Snuffbox pearly mussel	Epioblasma triquetra
Little-wing pearly mussel	Pegias fabula

C. It shall be unlawful to take, transport, process, sell or offer for sale within the Commonwealth any threatened or endangered species of fish or wildlife.

Title of Regulation: VR 325-02. Game.

Statutory Authority: § 29.1-501 of the Code of Virginia.

Effective Date: October 1, 1987.

VR 325-02-1. IN GENERAL.

§ 2. Hunting with crossbows, ~~poison~~ arrows to which any

drug, chemical or toxic substance has been added or explosive-head arrows prohibited.

It shall be unlawful to use a crossbow, ~~poison~~ arrows to which any drug, chemical or toxic substance has been added or arrows with explosive heads at any time for the purpose of hunting wild birds and wild animals.

VR 325-02-25. FIREARMS.

§ 1. Size rifles for hunting ~~big game bear and deer~~.

It shall be unlawful to use a rifle of a calibre less than 23 for the hunting or killing of ~~big game bear and deer~~.

§ 2. Rifles prohibited in hunting ~~big game bear and deer~~ in certain counties and cities.

Except as otherwise provided in § 3 of this regulation, it shall be unlawful to use a rifle of any calibre for the hunting or killing of ~~big game bear and deer~~ in the counties of Chesterfield, Isle of Wight, New Kent, Southampton and Sussex and in the cities of Chesapeake and Suffolk (that portion formerly Nansemond County).

VIRGINIA STATE BOARDS OF MEDICINE AND NURSING

Title of Regulation:

VR 465-07-1. Virginia State Board of Medicine.

VR 495-02-1. Virginia State Board of Nursing. Regulations Governing the Certification of Nurse Practitioners.

Statutory Authority: § 54-274 of the Code of Virginia.

Public Hearing Date: N/A

Summary:

The proposed Regulations Governing the Certification of Nurse Practitioners establish the requirements for the certification and practice of nurse practitioners in the Commonwealth of Virginia; state the criteria for the approval of nurse practitioner education programs; set the fees for certification and renewal and make provision for disciplinary action on evidence of violation of the regulations. The proposed regulations are the result of the comprehensive review of the existing regulations completed in 1985 pursuant to Executive Order 52(84) of former Governor Charles S. Robb.

This review resulted in proposals to delete some existing regulations, amend or relocate other existing regulations and add some new regulations. These changes are outlined in the Index to Existing and Proposed Regulations which is incorporated by reference for the purpose of this summary. All relevant documents are available for inspection at the office of the Board of Nursing, 1601 Rolling Hills

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Drive, Richmond, Virginia 23229, telephone (804) 662-9909.

Preamble:

Authority granted under these regulations may be expanded or restricted, or totally revoked, if the boards are of the opinion that the public health, safety or welfare is not being served or protected by the regulations. It should be clearly understood by each applicant and the recipient of certification as a nurse practitioner that the conditions stated herein are a part of such certification.

All provisions of these regulations are to be narrowly construed. Nothing herein is to be deemed to limit or prohibit a nurse from engaging in those activities which normally constitute the practice of nursing or those which may be performed by persons without the necessity of a license from the State Board of Medicine.

VR 465-07-1. Virginia State Board of Medicine.
VR 495-02-1. Virginia State Board of Nursing. Regulations Governing the Certification of Nurse Practitioners.

PART I. GENERAL PROVISIONS.

§ 1.1. Definitions.

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

"Accredited program" means a nurse practitioner education program accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs/Schools, American College of Nurse Midwives, American Nurses' Association or National League for Nursing.

"Approved program" means a nurse practitioner education program that meets the criteria set forth in these regulations.

"Boards" means the Virginia State Board of Medicine and the Virginia State Board of Nursing.

"Certified nurse practitioner" means a registered nurse who has met the requirements for certification as stated in Part II of these regulations and has been certified by the boards.

"Committee" means the Committee of the Joint Boards of Medicine and Nursing.

"Controlling institution" means the college or university offering a nurse practitioner education program.

"Licensed physician" means a person licensed by the

Board of Medicine to practice medicine or osteopathy.

"National certifying body" means a national organization that has as one of its purposes the certification of nurse anesthetists, nurse midwives or nurse practitioners, referred to in these regulations as professional certification, and whose certification of such persons by examination is accepted by the committee.

"Preceptor" means a physician or a certified nurse practitioner who supervises and evaluates the nurse practitioner student.

"Protocol" means a written statement, jointly developed and signed by the physician(s) and the nurse practitioner(s) participating in an arrangement for treatment of clients, that delineates and directs the procedures to be followed and the delegated medical acts appropriate to the specialty practice area to be performed by the nurse practitioner(s) in the care and management of clients.

"Supervision" means the physician's being readily available for medical consultation by the certified nurse practitioner or the client, with the physician maintaining ultimate responsibility for the specific course of medical treatment.

§ 1.2. Delegation of authority.

A. The boards hereby delegate to the Executive Director of the Virginia State Board of Nursing the authority to issue the initial certification and the biennial renewal of such certification to those persons who meet the requirements set forth in these regulations. Questions of eligibility shall be referred to the Committee of the Joint Boards of Medicine and Nursing.

B. All records and files related to the certification of nurse practitioners shall be maintained in the office of the Virginia State Board of Nursing.

§ 1.3. Committee of the Joint Boards of Medicine and Nursing.

The presidents of the Boards of Medicine and Nursing respectively shall each appoint three members from their boards to the Committee of the Joint Boards of Medicine and Nursing. The purpose of this committee shall be to administer the Regulations Governing the Certification of Nurse Practitioners.

§ 1.4. Advisory Committee on the Certification of Nurse Practitioners.

The Committee of the Joint Boards of Medicine and Nursing, in its discretion, may appoint an Advisory Committee on the Certification of Nurse Practitioners. Such an advisory committee shall be comprised of four licensed physicians and four certified nurse practitioners, of whom one shall be a nurse midwife practitioner, one

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shall be a nurse anesthetist practitioner and two shall be nurse practitioners from other categories. Appointment to the advisory committee shall be for four years, with one physician and one certified nurse practitioner appointed annually. Members may be appointed for one additional four-year period.

§ 1.5. Fees.

Fees required in connection with the certification of nurse practitioners are:

1. Application\$50
2. Biennial certification renewal\$30
3. Reinstatement of certification\$25
4. Verification of certification to another jurisdiction\$25
5. Duplicate certificate\$10
6. Return check charge\$15

PART II. CERTIFICATION.

§ 2.1. Certification, general.

A. No person shall perform services as a nurse practitioner in the Commonwealth of Virginia except as prescribed in these regulations and when certified by the Joint Boards of Medicine and Nursing.

B. The boards shall certify applicants who meet the qualifications for certification as set forth in § 2.3 of these regulations.

§ 2.2. Categories of certified nurse practitioners.

A. The boards shall certify nurse practitioners in the following categories:

1. Adult nurse practitioner
2. Family nurse practitioner
3. Pediatric nurse practitioner
4. Family planning nurse practitioner
5. Obstetric/Gynecologic nurse practitioner
6. Emergency room nurse practitioner
7. Geriatric nurse practitioner
8. Certified registered nurse anesthetist practitioner
9. Certified nurse midwife practitioner

10. School nurse practitioner

11. Medical nurse practitioner

12. Maternal child health practitioner

13. Neonatology nurse practitioner

14. Women's health care practitioner.

B. Other categories of nurse practitioners shall be certified if the Committee of the Joint Boards of Medicine and Nursing determines that the category meets the requirements of these regulations.

§ 2.3. Qualifications for initial certification.

A. An applicant for initial certification as a nurse practitioner shall:

1. Be currently licensed as a registered nurse in Virginia; and

2. Submit evidence of completion of an educational program designed to prepare nurse anesthetists, nurse midwives or nurse practitioners that is either:

a. Approved by the boards as provided in §§ 4.1 through 4.4 of these regulations; or

b. Accredited by an agency identified in § 1.1 Definitions, "Accredited Program"; and

3. Submit evidence of certification by an agency identified in § 2.4 of these regulations as an agency accepted by the boards; and

4. File the required application; and

5. Pay the application fee prescribed in § 1.5 of these regulations.

B. Provisional certification.

Provisional certification may be granted to an applicant who satisfies all requirements of § 2.3 of these regulations with the exception of § 2.3.A.3 only until the release of the results of the first national certifying examination for which he is eligible following his application.

§ 2.4. Certifying agencies.

The boards shall accept the certification by examination of the following:

1. American College of Nurse Midwives for nurse midwife practitioners;

2. American Nurses' Association for nurse practitioners;

3. Council on Certification of Nurse Anesthetists for nurse anesthetist practitioners;

4. National Board of Pediatric Practitioners and Associates for nurse practitioners; and

5. Nurses' Association of the American College of Obstetricians and Gynecologists Certification Corporation for nurse practitioners.

§ 2.5. Renewal of certificate.

A. Certification of a nurse practitioner shall be renewed biennially at the same time the license to practice as a registered nurse in Virginia is renewed.

B. The application for renewal of the certification shall be mailed by the committee to the last known address of each nurse practitioner.

C. The nurse practitioner shall complete the application and return it with the certification renewal fee prescribed in § 1.5 of these regulations.

§ 2.6. Reinstatement of certification.

A. Reinstatement of lapsed certificate.

1. An applicant for reinstatement of a lapsed certificate shall:

- a. File the required application and fee;
- b. Be currently licensed as a registered nurse in Virginia; and
- c. Provide evidence of current professional certification or, if applicable, licensure or certification in another jurisdiction.

B. Reinstatement of certificate following suspension or revocation.

1. An applicant for reinstatement of a certificate following suspension or revocation of a certificate shall:

- a. Petition for a hearing pursuant to the Administrative Process Act, § 9-6.14:12 of the Code of Virginia, before a committee of the boards; and
- b. Present evidence that he is currently licensed to practice nursing in Virginia; and
- c. Present evidence that he is currently to resume practice as a certified nurse practitioner in Virginia.

PART III.

PRACTICE OF CERTIFIED NURSE PRACTITIONERS.

§ 3.1. A certified nurse practitioner shall be authorized to

engage in practices constituting the practice of medicine under the supervision and direction of a licensed physician in accordance with § 3.2 of these regulations.

§ 3.2. The practice of certified nurse practitioners shall be based on specialty education preparation as outlined in Part IV of these regulations and in accordance with written protocols as defined in § 1.1 of these regulations.

§ 3.3. A certified registered nurse anesthetist practitioner shall practice in accordance with the functions and standards defined by the American Association of Nurse Anesthetists and under the supervision of a dentist in accordance with rules and regulations promulgated by the Board of Dentistry, or a doctor of medicine or a doctor of osteopathy.

§ 3.4. A certified nurse midwife practitioner shall practice in accordance with the functions and standards defined by the American College of Nurse Midwives.

§ 3.5. Practice as a certified nurse practitioner.

Practice as a certified nurse practitioner shall be prohibited if:

1. The certificate is lapsed; or
2. The certificate is revoked or suspended.

PART IV.

CRITERIA FOR APPROVAL OF NURSE PRACTITIONER EDUCATION PROGRAMS.

§ 4.1. Criteria for program approval.

The committee may delegate to the staff of the committee the authority to approve nurse practitioner education programs that meet the following criteria.

A. Administration.

1. The nurse practitioner education program shall be offered either:

- a. By a nationally accredited school of nursing that offers a master's degree in nursing; or
- b. Jointly by a nationally accredited school of medicine and a nationally accredited school of nursing that offers a master's degree in nursing.

2. The authority and responsibility for the conduct of the program shall be vested in a nurse educator or coadministered by a physician and a nurse educator who hold faculty appointments at the controlling institution.

3. The controlling institution shall provide each student who successfully completes the program a certificate of completion or equivalent official

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document.

B. Philosophy and objectives.

There shall be clearly written statements of philosophy and objectives of the program that shall include a description of the category of nurse practitioner being prepared.

C. Faculty.

1. Nurse faculty shall include nurse practitioners each currently certified in the area of specialization in which he is teaching.

2. Medical faculty shall include currently licensed physicians each having preparation in his specialty area.

D. Curriculum.

1. The program shall be at least one academic year in length including planned clinical practice under the direction of a preceptor.

2. Course descriptions and objectives shall be available in writing.

3. The curriculum shall provide:

a. Instruction in the biological, behavioral, medical and nursing sciences relevant to practice as a nurse practitioner in the specialized field;

b. Instruction in legal, ethical and professional responsibilities of a nurse practitioner; and

c. Supervised clinical practice of those skills essential for a nurse practitioner in the specialized field.

4. Major curriculum changes shall be approved by the boards.

§ 4.2. Denial of approval of programs.

Approval will be denied if the program does not meet the criteria set forth in § 4.1 of these regulations. The controlling institution may request a hearing before the Committee, and the provisions of the Administrative Process Act shall apply. (§ 9-6.14:1 et seq.)

§ 4.3. Continued approval of programs.

Each program shall be subject to periodic review by the boards to determine whether standards for approval are being maintained.

§ 4.4. Withdrawal of approval.

A. If the boards determine that an approved program is

not maintaining the standards set forth in these regulations, the controlling institution shall be given a reasonable period of time to correct the identified deficiencies.

B. If the controlling institution fails to correct the identified program deficiencies within the time specified, the boards shall withdraw the approval following a hearing held pursuant to the provisions of the Administrative Process Act.

§ 4.5. Exemptions from program approval requirements.

Programs accredited by any agency listed in the definition of accredited program in § 1.1 of these regulations are exempt from the program approval requirements of these regulations.

PART V. DISCIPLINARY PROVISIONS.

§ 5.1. Grounds for disciplinary action against the certificate of a certified nurse practitioner.

A. The boards may deny certification or recertification, revoke or suspend certification, or place on probation, censure or reprimand a nurse practitioner upon proof that the certificate holder:

1. Has had his license to practice nursing revoked or suspended or has been otherwise disciplined;

2. Has directly or indirectly held himself out or represented himself to the public that he is a physician, or is able to, or will practice independently of a physician;

3. Has exceeded his authority as a certified nurse practitioner;

4. Has violated or cooperated in the violation of the laws of regulations governing the practice of medicine, nursing or nurse practitioners;

5. Has become unable to practice with reasonable skill and safety to patients as the result of a physical or mental illness or the excessive use of alcohol, drugs, narcotics, chemicals or any other type of material; or

6. Has violated or cooperated with others in violating or attempting to violate any law or regulation, state or federal, relating to the profession, use, dispensing, administration or distribution of drugs.

§ 5.2. Hearings.

A. The provisions of the Administrative Process Act shall govern proceedings on questions of violation of § 5.1 of these regulations.

B. The Committee of the Joint Boards of Medicine and Nursing shall conduct all hearings prescribed herein and shall take action on behalf of the boards.

C. When a person's license to practice nursing has been suspended or revoked by the Board of Nursing, the nurse practitioner shall be suspended pending a hearing simultaneously with the institution of proceedings for a hearing.

D. Sanctions or other terms and conditions imposed by consent orders entered by the Board of Nursing on the license to practice nursing may apply to the nurse practitioner certificate, provided the consent order has been accepted by the Committee of the Joint Boards of Medicine and Nursing.

FINAL REGULATIONS

For information concerning Final Regulations, see information page.

Symbol Key

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

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

GENERAL PROVISIONS.

NOTE: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14:4.1 of the Code of Virginia); however, under the provisions of § 9-6.14:22, it is required to publish all proposed and final regulations.

Title of Regulation: VR 400-01-0001. Rules and Regulations.

Statutory Authority: § 36-35.30:3 of the Code of Virginia.

Effective Date: August 10, 1987

Summary:

Currently, applicants of authority single family mortgage loans must have income not in excess of limits expressed as dollar amounts of such applicant's "adjusted family income" and to make this determination each applicant's income is calculated as an "adjusted family income" figure. However, the Tax Reform Act of 1986 imposes new gross income limits on such applicants and requires that income be determined as a gross figure. In order to avoid duplication of methods of calculating income and the necessity of applying two different determinations of income, the amended regulation permits the authority to change its method of calculating income from one of determining adjusted gross income to one of determining gross income.

The authority's current Rules and Regulations authorize the Board of Commissioners of the authority to set income limits for all applicants of its single family mortgage loan program. It is intended that the new gross income limits will be set at levels which are higher than the current adjusted income levels by the average amount of adjustments which are now being subtracted from the applicants' income. By adding those adjustments back into the limits, the effect of the change of calculating income on the eligibility of applicants for an authority mortgage loan should be minimal. It is also intended that the new gross income limits will at all times be less than those imposed by the federal government to ensure that as long as an applicant satisfies the authority's applicable income limit, the applicable federal limits will be satisfied as well.

VR 400-01-0001. Rules and Regulations.

PART I.

§ 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

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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 income limitation established by resolution of 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's 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.

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 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

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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.

An authority mortgage loan shall not be authorized 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 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.

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 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.

C. 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;

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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 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

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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.

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.

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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 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.

The [~~proposed~~] effective date of the foregoing rules and regulations shall be ~~July 1, 1987~~ August 10, 1987 .

* * * * *

NOTE: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14:4.1 of the Code of Virginia); however, under the provisions of § 9-6.14:22, it is required to publish all proposed and final regulations.

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

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

Effective Date: August 10, 1987

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

Summary:

Under the current provisions of the procedures, instructions and guidelines the maximum income limits for applicants of authority single family mortgage loans are expressed as dollar amounts of such applicant's "adjusted family income" and each applicant's income is calculated as an "adjusted family income" figure. However, the Tax Reform Act of 1986 imposes new gross income limits on such applicants and requires that income be determined as a gross figure. In order to avoid duplication of methods of calculating income and the necessity of applying two different income limits to the two different determinations of income, the amended and restated procedures, instructions and guidelines change the authority's method of calculating income from that of a method of determining adjusted gross income to one of determining gross income. In an attempt to neutralize the effect of such change on an applicant's eligibility for single family mortgage loans, the authority income limits have been adjusted in the amended and restated procedures, instructions and guidelines to counteract this change. In particular, the new income limits were calculated by adding back to the current adjusted income limits the average amount of adjustments which, under the current adjusted income method of calculation, are subtracted from an applicant's gross income. In addition, all income limits in the amended and restated procedures, instructions and guidelines are below those imposed by the Tax Reform Act of 1986. Thus, as long as an applicant satisfies the authority's applicable gross income limits, he also satisfies the applicable federal limit.

The Tax Reform Act also affected the permissible acquisition costs of single family homes that may be financed by the authority by reducing from 110% to 90% the percentage of the "safe harbor" sales price limitations published by the United States Department of Housing and Urban Development which apply to single family homes. Because in four cases the new reduced federal limits which resulted from this change were below the authority's sales price limits, the amended and restated procedures, instructions and guidelines have reduced the sales price limits in all four cases to below the federal limits. Thus, in all cases for sales prices as well as for income, if the authority's limits are met, so are the federal limits.

Other changes in the procedures, instructions and guidelines unrelated to the Tax Reform Act include: (i) the elimination of the restriction on the number of one-person households eligible for single family mortgage loans; (ii) the express provision for the assumption of all single family mortgage loans as long as certain conditions are met; in particular, that all applicable federal requirements be satisfied and, with the exception of FHA and VA loans, that the authority's underwriting criteria be satisfied (previously, assumptions had been permitted only of loans made with the proceeds of bonds issued after 1980); (iii) the simplification of the property-related underwriting requirements that single family homes must meet and the addition of a provision that manufactured housing will be financed if it is new construction, insured by FHA and meet certain other requirements; (iv) the provision of an exception to the general rule that a person may apply for no more than one commitment per year for the case when a loan could not close through no fault of the applicant; (v) the clarification of what assets are and are not to be included in the calculation of an applicant's net worth; in particular that downpayment funds need not be counted up to a maximum of 25% of the sales price; and (vi) the addition of a section to explain how the procedure for reserving funds for mortgage loan works. Nonsubstantive changes were also made for the purpose of clarity and consistency.

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 described in § 1.2 C 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. Processing/disbursing/servicing 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/or~~ 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;

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[4. Have aggregate servicing and originating volume during the preceding five years at least equal to 10 times the principal amount of loans expected to be initially serviced and originated for the authority;]

[6. 4.] Have a staff with demonstrated ability and experience in mortgage loan origination and servicing;

[6. 5.] Each branch office of the applicant that is to originate mortgage loans must have demonstrated experience in the origination of mortgage loans;

[7. Have a delinquency rate on its portfolio of serviced mortgage loans not in excess of 5.1%;]

[8. Have a foreclosure rate on portfolio of serviced mortgage loans not in excess of 1.0% annually;]

[9. 6.] Have reasonable business hours - i.e. be open to the public at least five hours every banking day; and

[10. 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 [~~qualification~~ qualifications] set forth in [~~(4)~~ (3)] and [~~(5)~~ (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.

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 ; but the authority will restrict the number of loans that the PDS agent can originate for such persons and has established sales price limits for such households. An individual who is 62 or more years of age or who is handicapped or disabled shall not be deemed a one-person household for these purposes

B. Family.

A single family loan can be made to more than one person only if all such persons to whom the loan is made are related by blood, marriage or adoption and are living together in the dwelling as a single nonprofit housekeeping unit.

1- Allocation to one-person households.

The maximum number of one-person households will be limited to 17% of all units financed. Units will be allocated by planning district with each planning

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district to receive funds based on its relative need. Allocation of one-person households to PDS agents and builders will be made based upon the dollar amount of their allocation and geographical location. The maximum number of one-person households allowed will be specified in the Forward Commitment Agreement and Builder Commitment Agreement.

§ 2.2. Compliance with certain requirements of the Mortgage Subsidy Bond Tax Act of 1980 Internal Revenue Code of 1986, as amended (hereinafter "the tax code").

The federal Mortgage Subsidy Bond Tax Act of 1980 tax code imposes certain new requirements and restrictions on the eligibility of mortgagors and residences for financing with the proceeds of tax-exempt bonds. In order to comply with these federal law requirements and restrictions, VHDA is establishing 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 Mortgage Subsidy Bond Tax Code" Act of 1980" (the "checklist") (Section H, Exhibit A A (1)) prior to VHDA the authority's approval of each loan. No loan will be approved by VHDA the authority unless all of the federal eligibility requirements are met as well as the usual VHDA requirements of the authority set forth in other parts of this guide.

§ 2.2.1. Eligible borrowers.

A. General.

An applicant will In order to be considered an eligible borrower for a VHDA an authority mortgage loan, if the an applicant meets must, among other things, meet all of the following federal criteria:

The applicant:

1. Has May [have not 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. Agrees 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. Will 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. Has Must have contracted to purchase an eligible dwelling. (See § 2.2.2. Eligible dwellings);

5. Has executed a borrower Must execute an affidavit of borrower (Exhibit E) at the time of loan application (to be confirmed on the date of loan closing); and

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

6. Agrees 7. Must agree not to sell, lease or otherwise transfer an interest in the residence or permit the assumption of his mortgage loan without the prior written consent of VHDA 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 [borrower] affidavit of borrower that at no time during the three years preceding the execution of the mortgage loan documents has he [has 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 [prior] 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,

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 VHDA 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 VHDA 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 borrower 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 borrower 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.

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5. Review by PDS agent. The ~~borrower~~ 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 [a] ~~VHDA approved~~ 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 ~~VHDA~~ 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 ~~VHDA~~ the authority if such addresses are not the same. Subject to ~~VHDA's~~ 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, ~~VHDA~~ 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 ~~borrower~~ affidavit of ~~borrower~~, the ~~seller~~ 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 ~~VHDA~~ 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 ~~VHDA~~ the authority mortgage loan.

§ 2.2.2. Eligible dwellings.

A. [In] General.

In order to qualify as an eligible dwelling for which a ~~VHDA~~ 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 a ~~VHDA~~ 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 ~~VHDA~~ authority's sales price limits shown in § 2.4 § 2.3 . Therefore, for new loans the residence is an eligible dwelling if the acquisition cost is not greater than the ~~VHDA~~ authority's sales price limit. In the event that the acquisition cost exceeds the ~~VHDA~~ authority's sales price limit, the PDS agent must contact ~~VHDA~~ the authority to determine if the residence is an eligible dwelling.

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.

2- 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, Section H Exhibit G, Item 4 and Appraiser Report, Exhibit H).

(3) Where the eligible dwelling is subject to a ground rent, the capitalized value of any ground rent calculated using a discount rate equal to the yield of the VHDA bonds from which the mortgage loan was made. VHDA will supply bond yield information to PDS agents on request for the purpose of calculating capitalized ground rent.

(4) (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.

2- 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 borrower affidavit of borrower required to be submitted with the loan submission. The seller affidavit of seller shall also certify as to the acquisition cost of the eligible dwelling on the worksheet.

4- 5. Review by PDS agent. The PDS agent shall for each new loan determine that whether the acquisition cost of the eligible dwelling does not exceed exceeds the authority's applicable sales price limit shown in § 2.4. If the acquisition cost exceeds such limit, the PDS agent must contact VHDA 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). As 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 VHDA 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 seller affidavit of seller and other sources and documents such as the contract of sale for consistency of representation as to acquisition cost.

5- 6. Independent appraisal. VHDA 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. § 2.2.3. Targeted areas.

A. In General.

In accordance with the Mortgage Subsidy Bond Tax Act of 1980, VHDA tax code, the authority will make a portion

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of the proceeds of an issue of its bonds available for financing eligible dwellings located in targeted areas for at least one year following the issuance of a series of bonds. *VHDA* 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 the 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 (1) b. below, or an area of chronic economic distress, as described in (2) c. below.

(1) b. A qualified census tract is a census tract in the Commonwealth in which 70% or more of the families have an income of 80% or less of the state-wide median family income based on the most recent "safe harbor" statistics published by the U.S. Treasury. Maps indicating the location of current qualified census tracts will be supplied to the PDS agents by *VHDA*.

(2) c. An area of chronic economic distress is an area designated as such by the Commonwealth and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the Mortgage Subsidy Bond Tax Act of 1980 tax code . PDS agents will be informed by *VHDA* the authority as to the location of areas so designated.

§ 2.4- § 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 bond issues except 1981A (13.7%), 1982A (13.95%) and "blend" of 1982A and 1982B (11.75%)*

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
Northern Piedmont/Richmond-Petersburg [MSA] /Roanoke MSA	3/ \$71,000	\$71,000	\$67,500
North Piedmont/Roanoke MSA	4/ \$63,800	\$56,500	\$56,500
Remainder of State	4/ 5/ \$61,100	\$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-Peterburg [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.

4/ 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.

* NOTE: For information regarding maximum allowable sales prices of residences financed by the 1981A (13.7%),

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1982A (13.85%) or "blend" of 1982A and 1982B (11.75%); please contact the VHDA Staff.

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.

§ 2.5. § 2.4. Net worth.

To be eligible for VHDA 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.

§ 2.6. § 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
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Northern Virginia
portion of
Washington,

DC-MD-VA MSA			
1/	\$49,400	\$49,400	\$46,000
Norfolk-Virginia Beach Newport News MSA			
2/	\$36,100	\$36,100	\$30,800
Richmond-Petersburg MSA			
3/	\$32,700	\$32,700	\$31,500
North Piedmont/ Roanoke MSA			
4/	\$32,700	\$32,700	\$31,500
Remainder of State			
5/	\$32,200	\$32,200	\$30,000

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, Spetsylvania 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.

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
INCOMES**

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

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

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.

* NOTE: For information regarding the maximum allowable adjusted incomes of persons or families acquiring residences financed by 1981 Series A (13.7%), 1982 Series A (13.85%) and "blend" of 1982A and 1982B (11.75%), please contact the VHDA staff.

	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
Northern Piedmont/Richmond-Petersburg MSA /Roanoke MSA			
3/	\$29,900	\$29,900	\$28,700
Northern Piedmont/Roanoke MSA			
4/	\$29,900	\$29,900	\$28,700
Remainder of State			
4+ 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.

4+ 5/ Any jurisdiction not a part of the Northern

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 is eligible satisfies the minimum income requirement for VHDA 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 . Also, the applicant is eligible when 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 Section II, Exhibit B) For units in condominiums, 60% of the monthly condominium assessment shall be used in the foregoing ratio calculations.

§ 2-7. § 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 insured or guaranteed by FHA or VA , 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 insured or guaranteed by FHA or VA , such other percentage as may be permitted by FHA or VA) of the [lesser of the] sales price or appraised value, whichever is less 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, Section II, Exhibit H.)

§ 2-8. § 2.7. Mortgage insurance requirements.

Unless the loan is insured or guaranteed by 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 ~~VHDA~~ the authority requires FHA or VA insurance, the loan will either, at the election of the authority, (a) be closed in ~~VHDA's~~ 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 ~~VHDA~~ the authority once the FHA Certificate of Insurance or VA Guaranty has been obtained. In the event ~~VHDA~~ the authority purchases an FHA or VA insured loan, the PDS agent must enter into a purchase and sale agreement. (See ~~Section H~~, 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.*

§ 2.0. § 2.8. Underwriting.

A. Conventional loans.

A. 1. Employment and income.

B. a. Length of employment. ~~1-~~ The applicant must be employed a minimum of six months with present employer. An exception to the six-month requirement can be granted by ~~VHDA~~ 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.

C. 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. ~~The~~ *In addition, the following information is required at the time of application:*

a. (1) Federal income tax returns for the two most recent tax years.

b. (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.

D. c. Income derived from sources other than primary employment.

E. (1) Alimony and child support. ~~1-~~ A copy of the legal document and sufficient proof must be submitted to ~~VHDA~~ 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.]*

F. (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.

G. (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.

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

H. (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.

I. 2. Credit.

a. *Credit experience.* ~~VHDA~~ 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 [a] ~~VHDA~~ 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*. ~~VHDA~~ 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 a ~~VHDA~~ 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

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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 §§ 2.1-2.5 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.

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 §§ 2.1-2.5 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.

~~§ 2.10.~~ § 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. ~~VHDA~~ 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.

~~§ 2.11.~~ § 2.10. Loan assumptions ; leasing, terms and owner occupancy.

A. Loan assumptions.

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

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 [θ Q]).

(8) PDS agent's loan submission cover letter [(Exhibit 0(1))].

(9) [~~VHDA~~ 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) [~~VHDA~~ 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.

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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 [θ Q]).*
- (8) *PDS agent's loan submission cover letter [(Exhibit 0(2) or (3)].*
- (9) *[Authority 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 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.*

B. *A. Leasing.*

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

C. *B. Loan term.*

Loan terms may not exceed 30 years.

D. *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 [card 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*

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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.

[C. 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.

[D. 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.

[E. 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 [D 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.

§ 2.12. § 2.13. Preparation of application package for new loans .

A. Conventional loans.

The application package submitted to ~~VHDA~~ the authority for approval of a conventional loan must contain the following:

1. Reservation [eard sheet (Exhibit C)].
2. Application - the application must be made on ~~Virginia Housing's~~ 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) - ~~form~~ should be ~~FNMA~~ the Federal National Mortgage Association ("FNMA") or FHLMC 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 ~~Virginia Housing~~ the authority or who has a certification from a trade organization approved by ~~Virginia Housing~~ the authority (photos and required supporting documentation).
11. Loan submission cover letter. (Exhibit [O 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 10 6 in the affidavit of borrower and § 2.2.1 B3 hereof . (NOTE: If a letter from the IRS Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1 B3 of the Processing, Disbursing Guide hereof , such letter must be enclosed herewith instead).
17. PDS agent's checklist for certain requirements of the Mortgage Subsidy Bond Tax Act of 1980 tax code . (Exhibit A(1))

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18. Signed request for copy of tax returns ~~(No. 4506)~~ .
(Exhibit Q)

19. ~~HUD~~ 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 ~~April 1, 1981~~ . Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

20. ~~ECOA~~ Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of the Equal Credit Opportunity Act ~~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 [~~card~~ 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.
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. [~~VHDA document No. 13 - "FHA NOTICE TO BUYERS."~~ FHA Notice to Buyers (Document F-9)]

14. Loan submission cover letter. (Exhibit [~~Ø~~ 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 B3 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 [~~clerk's~~ 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 [~~card~~ 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 [~~Θ~~ 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 B3 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).
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

§ ~~2.13.~~ § 2.14. Commitment. (Exhibit J)

A. In general.

Upon approval of the applicant, ~~VHDA~~ the authority will send a mortgage loan commitment (see Section II, Exhibit ~~J~~) 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 ~~VHDA~~ 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.

§ ~~2.13.1.~~ B. Loan rejection.

If the borrower application fails to meet ~~VHDA~~ underwriting any of the standards, criteria or if the property fails to meet ~~VHDA~~ property standards and requirements herein, a loan rejection letter will be issued by ~~VHDA~~ the authority (see Section II, 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.

§ 2.14. § 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 ~~VHDA's~~ the authority's letter of and closing instructions (see Section II, Exhibit 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

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such as per diem interest, appraisal fee, credit report charges to be collected at closing, and any special requirements of the commitment before the closing instructions are forwarded to the closing attorney. ~~VHDA~~ The authority will provide the PDS agent with the documents which the closing attorney is required to complete. After ~~VHDA~~ the authority reviews the closing attorney's preliminary work and approves closing 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 (see Section H, Exhibit M) . Closing attorneys The closing attorney may use disburse loan proceeds checks when in a position to conduct 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 Virginia Housing's 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 Virginia Housing's 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 the buy-down points, if any. The check is to be payable to VHDA. Under the applicable federal regulations the tax code, the original proceeds of the a bond issue may not exceed the amount necessary for the "governmental purpose" thereof by more than 5.0%. Payment of If buy-down points are paid out of mortgage loan proceeds would be using (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 - Buy-down points may 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.

In accordance with § 8 of the PDS agreement, All post-closing documents, including the post-closing cover letter ([see] Section H, Exhibit P), should be forwarded as follows 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 ~~VHDA~~ the authority , a repayment of ~~VHDA's~~ the authority's outstanding construction loan, if any, PMI 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 ~~VHDA~~ 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 ~~VHDA~~ the authority if such addresses are not the same or if there is any such change of address. Subject to ~~VHDA's~~ 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 Mortgage Subsidy Bond Tax Act tax code may not be correct or proper, the PDS agent shall immediately notify the authority.

§ 2.15. § 2.16. Property guidelines - existing housing .

Existing houses to be financed by loans insured or guaranteed by FHA or VA must meet any and all applicable requirements imposed by FHA or VA.

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

1. 100 amp electrical service is required.
2. No space heaters or circulators are allowed; however, a floor furnace or wall furnace is acceptable in a one-story house if such a furnace adequately heats the house.
3. Pier foundations are considered on a case-by-case basis.
4. All property must be located on a state-maintained road with a minimum frontage of 30 feet. No easements or right-of-ways are allowed as access to properties. House should not be located more than 200 feet from the state-maintained road.

5. Joint ownership of well and septic is not allowed and the well must be on the subject property.

6. Any easements which will adversely affect the marketability of the property, such as high-tension power lines, drainage or other utility easements will be considered on a case-by-case basis.

7. The floor plan must be acceptable with bathrooms and bedrooms centrally located and providing maximum privacy. Primary bathroom locations are not acceptable if the traffic patterns require entrance through another living area (e.g. a bathroom which opens directly into the kitchen).

8. The house must have a sufficient number of bedrooms to properly serve the borrower. Only bedrooms will be used as sleeping quarters, with each bedroom to be occupied by no more than two persons.

9. Mobile homes are not acceptable.

§ 2.16. Property guidelines - New construction.

New homes to be financed by loans insured or guaranteed by FHA or VA must meet any and all applicable requirements imposed by FHA or VA.

A. All other new homes must meet the Uniform Statewide Building Code (the "Code") and the Department of Housing and Urban Development Minimum Property Standards (MPS) in addition to the following VHDA underwriting requirements:

1. Minimum of 4/12 pitch roof.
2. Storm windows or double glazed windows are required.
3. Insulated exterior doors or storm doors are required.
4. All property must be located on state-maintained roads.
5. Energy package in conformance with FHMA energy standards.
6. Mobile homes are not acceptable.

B. Also, the following standards are preferred:

1. All ceilings and 75% of the walls be 1/2 inch drywall or plaster.
2. Kitchen cabinets should comply with the following: doors should be a minimum of 5/8 inch and end panels should be a minimum of 1/2 inch thick. Materials should be wood or plywood. All stiles and rails should be of wood. Drawer fronts should be a minimum of 5/8 inch and sides should be a minimum

of 3/8 inch wood or plywood; bottoms should be 1/4 inch plywood. Shelves should be a minimum of 5/8 inch wood, plywood or particle board. Plywood and particle board shelves should have edging.

3. Ceiling height of eight feet or greater.

4. Pier foundations are discouraged except where brick or block curtain wall completely covers piers.

5. Insulated sheathing.

6. If vertical siding is used, fir, cedar or redwood is preferred.

7. Fiberglass insulation in ceiling, floor and wall.

8. The use of wood foundations is discouraged unless the type of construction results in substantial savings to be passed on to the buyer.

9. Hardwood floors unless a 30 ounce carpet is used.

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 [by 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

Final Regulations

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.

[A.] For the purpose of qualifying as substantially rehabilitated housing under Virginia Housing's 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 VHDA 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 appraisal submitted with the loan application, must list the improvements and estimate the value of the improvements.] Virginia Housing's 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. VHDA 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 Mortgage Subsidy Bond Tax Act of 1980 tax code , the proceeds of VHDA the mortgage loan cannot be used to refinance an existing mortgage, as explained in § 2.2.1.D (New mortgage requirement). VHDA 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. Policy on condominiums 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 Virginia Housing 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 Virginia Housing the authority has not previously financed the purchase of any units, Exhibit U 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. Virginia Housing The authority will review the above described form and financial information. If on the basis of such review Virginia Housing the authority finds the condominium to be acceptable, the condominium will be approved and the individual loan application will be processed. Exhibit U S requires that the Unit Owners Association agree to submit to Virginia Housing the authority upon its request, the condominium's annual financial statements, operating budget and other information as Virginia Housing the authority may require. The association is also required to agree that Virginia Housing 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 Virginia Housing's the authority's termination of its approval of the condominium.

3. Each year Virginia Housing the authority will send Exhibit V 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/or and FHLMC approvals , 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, Virginia Housing the authority may terminate its approval of the condominium. Virginia Housing The authority will review the financial statement and operating budget and the questionnaire and if the condominium remains in satisfactory condition, Virginia Housing the authority will continue to make mortgage loans on the units subject to the limitations in paragraph 4 below. In the event Virginia Housing 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 Virginia Housing 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 Virginia Housing the authority .

4. If a condominium is approved by FNMA, Virginia Housing 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, Virginia Housing 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 Virginia Housing the authority and exceeds the foregoing percentage limitations, Virginia Housing 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 ~~October 21, 1986~~ August 10, 1987 .

VIRGINIA TAX BULLETIN

VIRGINIA DEPARTMENT OF TAXATION

Tax Bulletin 87-3

DATE: July 1, 1987

SUBJECT: Income Taxes - 1987 Legislative Changes

The 1987 session of the General Assembly enacted several law changes which impact the corporation and individual income taxes. Included are:

House Bill 1119, the Virginia Tax Reform Act of 1987, which represents Virginia's response to the federal Tax Reform Act of 1986; and

Senate Bill 554, which sets forth various technical corrections to the Virginia tax law that were necessitated by changes in federal law under the federal Tax Reform Act of 1986.

A brief summary of the provisions of House Bill 1119 is provided below. Brief summaries of other income tax changes, organized by the type of tax, follow the summary of House Bill 1119.

HOUSE BILL 1119 THE VIRGINIA TAX REFORM ACT OF 1987

House Bill 1119, the Virginia Tax Reform Act of 1987, (Chapter 9 of the Acts of Assembly) made the following changes to the individual and corporation income tax laws:

INDIVIDUAL INCOME TAX:

Top Bracket Amount: Amended Va. Code § 58.1-320 to raise the starting income level for the top 5 3/4% income tax bracket from \$12,000 as follows:

Taxable Year	Income at Which 5 3/4% Rate Begins
1987	\$14,000
1988	\$15,000
1989	\$16,000
1990 and thereafter	\$17,000

Personal Exemption Amount: Amended Va. Code § 58.1-322 to increase the personal exemption for each taxpayer and dependent from \$600 as follows:

Taxable Year	Personal Exemption Amount
1987	\$700
1988 and thereafter	\$800

Standard Deduction Amount: Amended Va. Code § 58.1-322 to replace the present \$2,000 maximum standard deduction as follows:

Taxable Year	Single	Married	Married Filing
1987	\$2,000	\$2,000	\$1,000
1988	\$2,700	\$2,700	\$1,350
1989 and thereafter	\$3,000	\$5,000	\$2,500

Blind and Aged Deduction: Amended Va. Code § 58.1-322 to continue to provide additional personal exemptions to blind taxpayers and those aged 65 or over for taxable years beginning on and after January 1, 1987. The present \$400 additional deduction for taxpayers aged 65 or over has been repealed, but blind and elderly taxpayers have been provided an additional deduction of \$200 for taxable year 1987.

Filing Threshold Amounts: Amended Va. Code § 58.1-321 to increase the filing threshold from \$3,000 to \$5,000 for single taxpayers and \$8,000 in combined income for married taxpayers, effective for taxable years beginning on and after January 1, 1987. Persons whose Virginia adjusted gross income falls below the filing threshold are not required to file a return unless they wish to obtain a refund of withholding or estimated taxes paid.

Additionally, effective July 1, 1987, persons who expect their Virginia adjusted gross income to be below the threshold amounts may file a Form VA-4, Withholding Exemption Certificate, with their employer so that no Virginia income tax is withheld from their wages.

ACRS ADDITIONS AND SUBTRACTIONS FOR CORPORATIONS AND INDIVIDUALS:

Repealed Va. Code §§ 58.1-323, 58.1-322(B)(6) and 58.1-402(B)(3), amended Va. Code §§ 58.1-322(C)(8) and 58.1-402(C)(9), and added Va. Code §§ 58.1-323.1 and 58.1-323.2 to fully conform to the federal Accelerated Cost Recovery System (ARCS) for taxable years beginning on and after January 1, 1988 for both individuals and corporations. In addition, beginning with taxable year 1988 returns, individuals and corporations will be able to recover any outstanding Virginia ARCS additions from previous years as follows:

Percentage of Additions Allowed as Subtraction	1988	1989	1990	1991
1992				
Individuals	66.7%	33.3%		
Corporations	10%	10%	30%	30%
20%				

INCOME TAX WITHHOLDING:

New Tables: The income tax withholding tables have been revised effective for wages paid after June 30, 1987. This change should produce immediate savings to individual taxpayers whose employers withhold Virginia income tax. The withholding tables will also change on January 1, 1989 and January 1, 1990 to reflect further changes brought about by House Bill 1119. (By now, employers should have received new withholding booklets and instructions.)

OTHER ENACTED INCOME TAX LEGISLATION

ESTIMATED TAX FOR INDIVIDUALS:

Required Payment: House Bill 1043 (Chapter 611) and Senate Bill 421 (Chapter 599) both amended Va. Code § 58.1-492 to increase the percentage of individual income tax that must be remitted by means of estimated and/or withholding payments from 80% to 90%. Effective Date: Taxable years beginning on and after January 1, 1987; however, the Department of Taxation will not impose the underpayment penalty for taxable year 1987 in cases where the taxpayer pays at least 80% of the tax liability.

Threshold for Declarations: Senate Bill 421 also amended Va. Code § 58.1-490 to provide for changes to the estimated tax filing threshold. The law previously required the filing of a declaration of estimated tax when an individual's federal adjusted gross income, excluding wages on which tax was withheld, was reasonably expected to exceed \$400, plus the sum of the individual's personal exemptions.

The new law gives the Tax Commissioner the regulatory authority to set the requirements for the filing of a declaration of estimated tax. The bill provides that the filing threshold determined by the Tax Commissioner shall be an amount which takes into account the additions, subtractions, and deductions set forth in Va. Code § 58.1-322, the credits set forth in Va. Code §§ 58.1-330, 58.1-331, 58.1-332, and 58.1-333, and the filing exclusions set forth in Va. Code § 58.1-321.

The Tax Commissioner is currently developing an emergency regulation which will establish the estimated declaration threshold in accordance with the statutory requirements. Additional information on the proposed threshold will be disseminated as soon as possible, but this threshold will not be final until the adoption of the regulation, prior to January 1, 1988, under the provisions of the Administrative Process Act.

Effective Date: Taxable years beginning on and after January 1, 1987.

Addition to Tax for Underpayment: Senate Bill 554 (Chapter 484) amended Va. Code § 58.1-15 to provide that in computing the addition to tax for the underpayment of estimated taxes by individuals and corporations, the interest rate for the third month following the taxable

year shall be applicable during the first 15 days of the fourth month (or through May 1 in the case of a calendar year individual return).

For example, for an individual income taxpayer filing on a calendar year basis, the interest rate in effect for the quarter ending March 31 will also apply through May 1. For a fiscal year filer whose taxable year ends on June 30, the interest rate in effect for the quarter ending September 20 shall also apply through the October 15 due date of the return. Effective Date: Taxable years beginning on and after January 1, 1987.

For new provisions requiring the payment of estimated taxes by estates and trusts, see section on ESTATES AND TRUSTS.

INDIVIDUAL AND CORPORATION INCOME TAXES:

Alternative Depreciation System: Senate Bill 554 (Chapter 484) provides that the new federal Alternative Depreciation System is not subject to the excess cost recovery additions and subtractions set forth in Va. Code § 58.1-323. Effective Date: Taxable years beginning on and after January 1, 1987.

For provisions relating to the Accelerated Cost Recovery System, see the the section on page 2 relating to ACRS ADDITIONS AND SUBTRACTIONS OF CORPORATIONS AND INDIVIDUALS.

INDIVIDUAL INCOME TAX:

Two-Earner Married Couple Deduction: Senate Bill 554 (Chapter 484) amends Va. Code § 58.1-322 to repeal the addition to federal adjusted gross income for the federal two-earner married couple deduction. This addition was eliminated due to the repeal of the federal two-earner married couple deduction under the federal Tax Reform Act of 1986. Effective Date: Taxable years beginning on and after January 1, 1987.

Lump Sum Distributions: Senate Bill 554 also amended the Va. Code § 58.1-322 provisions relating to additions to federal adjusted gross income for lump sum distributions from qualified retirement plans. The change reflects the provisions of the federal Tax Reform Act of 1986, specifically addressing both the 5-year and 10-year averaging provisions of the new federal law. Effective Date: Taxable years beginning on and after January 1, 1987.

Deduction for Virginia National Guard Pay: House Bill 1233 (Chapter 615) amends Va. Code § 58.1-322 to provide a deduction from federal adjusted gross income of up to \$3,000 in pay received from 39 days of active or inactive service in the Virginia National Guard. The deduction will be limited, however, to persons of the rank of 03 (Captain) or below. Effective Date: Taxable years beginning on and after January 1, 1989.

Virginia Tax Bulletin

CORPORATION INCOME TAX:

Bad Debt Deduction for Savings and Loans: House Bill 1175 (Chapter 614) amends Va. Code § 58.1-403 to restore the pre-1987 percentage of income bad debt deduction provisions used by savings and loan associations. Savings and loan associations which use the percentage of income method to compute their federal bad debt deduction will continue to use the 40% bad debt deduction used before the federal Tax Reform Act of 1986, rather than the 8% deduction now provided under federal law. Thus, this bill will preserve the Virginia income tax treatment of savings and loan bad debt deductions by keeping the percentage of income used for Virginia purposes at the level used prior to federal tax reform. Effective Date: Taxable years beginning on and after January 1, 1987.

Employee Stock Ownership Plans: Senate Bill 554 (Chapter 484) amended Va. Code § 58.1-402 to repeal the subtraction for employer contributions to employee stock ownership plans (ESOP's). This provision was repealed due to the repeal of the federal ESOP credit under the federal Tax Reform Act of 1986. The Virginia addition required for ESOP credit carryovers was retained because the federal Tax Reform Act of 1986 continues to allow the federal credit to be carried forward. Effective Date: Taxable years beginning on and after January 1, 1987.

ESTATES AND TRUSTS:

Estimated Payment Requirements for Estates and Trusts: Senate Bill 554 (Chapter 484) amended Va. Code §§ 58.1-490, 58.1-492, and 58.1-493 to subject estates and trusts to the same requirements as individual taxpayers for the filing of estimated taxes. This new provision reflects a similar change made by the federal Tax Reform Act of 1986. Under this provision, an estate will be required to file a declaration of estimated tax only with respect to a taxable year ending two or more years after the date of death of the decedent, but trusts will be required to file declarations of estimated tax annually. Effective Date: Taxable years beginning on and after January 1, 1988.

ALL TAXES:

Differential Interest Rate: Senate Bill 554 (Chapter 484) amended Va. Code § 58.1-15 to adopt the differential interest rates for overpayments (refunds) and underpayments (assessments) of taxes that are set forth in Internal Revenue Code §§ 6621(a)(1) and 6621(a)(2). Pursuant to these provisions, the interest rate on underpayments is one percentage point above that on overpayments. Effective Date: January 1, 1987.

If you have any questions on these legislative changes, please feel free to call the Department of Taxation, or write us at P.O. Box 6-L, Richmond, Virginia 23282.

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Tax Bulletin 87-9

DATE: July 1, 1987

SUBJECT: 1987 Legislation Exempting Prescriptions of Licensed Veterinarians from the Sales and Use Tax.

Effective July 1, 1987, all sales of medicines and drugs on the prescription or work order of licensed veterinarians will be exempted from the sales and use tax. This exemption is the result of House Bill 1594, enacted by the 1987 session of the General Assembly.

NEW EXEMPTION FOR VETERINARY PRESCRIPTIONS

The new exemption will apply only to medicines or drugs dispensed or sold on the prescription or work order of a licensed veterinarian. Thus, on and after July 1, 1987, veterinarians will no longer be required to collect the sales tax when they simply dispense a prescription refill. This includes refills of prescription diets used in the treatment of animals and prescription treatments for flea control and animal skin conditions.

However, the new exemption will not have any bearing upon other presently taxable retail sales by veterinarians. Thus, those veterinarians who are required to register for collection of the sales tax must continue to collect the tax from customers on soap, pet food, and other similar products.

PURCHASES OF MEDICINES AND DRUGS BY VETERINARIANS

Under House Bill 1594, a veterinarian will be deemed the taxable user or consumer of all medicines and drugs that he purchases. As such, medicines and drugs will be treated in the same manner as furniture, supplies, equipment, instruments, and other items purchased by a veterinarian for use in rendering his professional services. A veterinarian should pay the tax to his supplier (or remit the tax directly to the department) when he purchases medicines or drugs or any item used in his practice.

Of course, veterinarians who are required to collect the sales tax will continue to be able to purchase products for retail sale (nonprescription flea spray, pet food, etc.) exempt from the tax when they furnish their suppliers with a resale exemption certificate.

BACKGROUND

As with other professionals, veterinarians are generally deemed to be the taxable users or consumers of all tangible personal property used in their practices. As such, a veterinarian does not collect the sales tax on charges for his professional services. However, when a veterinarian goes beyond the rendition of his professional services and actually sells goods at retail, he must register and collect the sales tax from his customers.

A veterinarian must register to collect the sales tax from his customers only if he maintains an inventory of tangible

personal property for sale to customers independent of an examination or office visit. For instance, a veterinarian who maintains an inventory of nonprescription flea spray or flea powder, soap, pet food, or other similar products for sale to customers must register to collect the tax on such sales. When a veterinarian is required to collect the tax, he may purchase goods for resale to customers exempt from the sales tax by presenting his supplier with a resale exemption certificate, Form ST-10.

Those veterinarians who must register for the collection of the sales tax were also required, until the new exemption took effect on July 1, 1987, to collect the tax on refills of prescription medicines or drugs that are dispensed independent of an examination or office visit.

SUMMARY

In summary, a veterinarian will generally pay the tax on all items used in his professional practice. The only exemption to this rule is if the veterinarian maintains an inventory of nonprescription flea powder, soap, pet food, and similar items for retail sale to customers, in which case the veterinarian must register with the Department of Taxation and collect the sales tax from his customers who purchase such items independent of an office visit or examination.

Veterinarians who are required to register for collection of the sales tax must collect the tax on all sales of prescriptions made before July 1, 1987 that were made independent of an office visit or examination. However, effective on July 1, 1987, prescription medicines and drugs will be exempted from the tax when sold to a customer by the veterinarian. The veterinarian will be required, however, to pay the tax to his suppliers (or to the Department of Taxation directly) when he purchases any medicines or drugs. Also, the new exemption will not relieve the veterinarian from his responsibility to collect the sales tax on retail sales of nonprescription flea powder, soap, pet food, etc.

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Tax Bulletin 87-14

DATE: July 15, 1987

SUBJECT: Imposition of the Motor Vehicle Fuel Sales Tax
in the City of Manassas Park

Effective August 1, 1987, the 2% motor vehicle fuel sales tax will apply to the retail sale of motor vehicle fuels within the City of Manassas Park. Currently, this tax applies in the Cities of Alexandria, Fairfax, Falls Church, and Manassas and the Counties of Arlington, Fairfax, Prince William, and Stafford.

The tax will apply to all retail sales of motor vehicle fuels where delivery to the customer is made in the City of Manassas Park. This includes:

1. Retail sales of motor vehicle fuels within the city by dealers located within the city, and
2. Deliveries of motor vehicle fuels that are made to customers within the city by dealers located in other localities.

If you need to register for collection of the motor vehicle fuel sales tax for sales made in the City of Manassas Park or any of the other localities listed above, or if you have any questions on how the tax applies, please call (804) 257-8037 or write:

Department of Taxation
Taxpayer Assistance Section
P.O. Box 6-L
Richmond, Virginia 23282

STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JULY 14, 1987

COMMONWEALTH OF VIRGINIA

At the relation of the

State Corporation Commission

CASE NO. INS870219

Ex Parte: In the matter of
Prefiling of Medical Malpractice
Liability Insurance Rates Pursuant to
§ 38.2-1912 of the Code of Virginia.

FINAL ORDER

WHEREAS, pursuant to orders entered herein June 19, 1987 and July 1, 1987, a hearing was conducted by Russell W. Cunningham, Senior Hearing Examiner, at 10:00 a.m. on July 8, 1987 in the Commission's Courtroom to receive evidence from interested parties with respect to whether competition is an effective regulator of the rates charged for medical malpractice liability insurance in this Commonwealth for the purpose of aiding the Commission in determining whether it should again renew the rule promulgated pursuant to Virginia Code § 38.2-1912 and the Commission's order of August 25, 1975; and

WHEREAS, the Bureau of Insurance and the Attorney General of Virginia appeared by counsel and recommended the renewal of the rule to which there was no objection by any party of record;

AND THE COMMISSION, having considered the record herein, is of the opinion and finds that competition is not an effective regulator of the rates charged for medical malpractice liability insurance in the Commonwealth of Virginia and that, pursuant to Virginia Code § 38.2-1912, the rule promulgated by the Commission by order entered herein August 25, 1975, and thereafter annually renewed by Commission order, should be renewed.

The record before the Commission in the 1986 proceeding in this matter indicated that in 1985 92.6% of the medical malpractice liability insurance premium volume in the Commonwealth of Virginia was written by three insurers. The record before the Commission in this proceeding indicates that in 1986 two insurers provided coverage for approximately 98% of the acute care hospitals in Virginia insured by licensed insurers and that almost 99% of the premium volume for physicians and surgeons medical malpractice liability insurance in Virginia was written by three licensed insurers. Moreover, with limited exception, one of the aforesaid insurers ceased writing new business on both hospitals and physicians effective January 1, 1986. Accordingly, as was the case in 1986, the record, in our opinion, does not support a finding that competition is an effective regulator of the rates charged for medical malpractice liability insurance.

THEREFORE, IT IS ORDERED: that the rule promulgated by the Commission by order entered herein August 25, 1975, and thereafter annually renewed by Commission order pursuant to Virginia Code § 38.2-1912, shall be renewed for a period of one year from the date of this order as follows:

RULE

All insurance companies licensed to write medical malpractice liability insurance in the Commonwealth of Virginia and all rate service organizations licensed pursuant to the provisions of Chapter 19 of Title 38.2 of the Code of Virginia shall file with the Commissioner of Insurance any and all changes in medical malpractice liability insurance rates and supplementary rate information and, pursuant to § 38.2-1912B and D, such supporting data and information as is deemed necessary by the Commissioner of Insurance for the proper functioning of the rate monitoring and regulating process at least sixty (60) days prior to their effective date.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Anthony J. Gambardella, Jr., Esquire, Senior Assistant Attorney General, Office of the Attorney General, Consumer Counsel Division, 101 North 8th Street, Richmond, Virginia 23219; and the Bureau of Insurance in care of Assistant Commissioner Garland L. Hazelwood, Jr., who shall cause an attested copy of this order to be sent to every company licensed to write general liability insurance in the Commonwealth of Virginia and to every rate service organization licensed pursuant to Chapter 19 of Title 38.2 of the Code of Virginia.

* * * * *

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, July 2, 1987

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
CASE NO. SEC870040

Ex parte, in re: Promulgation
of Rules and Forms Pursuant to
Virginia Code § 13.1-523
(Securities Act)

ORDER ADOPTING RULES

Pursuant to notice, a hearing was conducted by the Commission on June 24, 1987, for the purpose of hearing testimony on proposed rules and forms designed to implement the recently enacted amendments (Chapter 678, Acts of Assembly of 1987) of the Securities Act (Va. Code § 13.1-501 et seq.) relating to financial planners.

Preceding the testimony of public witnesses the Commission staff presented several changes and amendments to the proposed rules as originally publicized, resulting from pre-filed comments and suggestions from the public. Subsequent to the public hearing, Rules 1002 and 1102, relating to renewal of registration, were amended to eliminate the requirement to submit certain documentation to the Commission. The rules, as amended, require the filing of the necessary documents and payment of the statutory fees with the NASAA/NASD Central Registration Depository.

Nine witnesses testified at the public hearing, most of whom reiterated their written suggestions which were pre-filed with the Commission. Some of those suggested amendments have now been incorporated into the rules which are herein being adopted.

The Commission has considered the suggestion that certified public accountants be excluded from the definition of Investment Advisor. Section 13.1-501(M) of the Code of Virginia excludes, among others, accountants whose performance of advisory services is "solely incidental to the practice of his profession." The Commission finds that the quoted language in § 13.1-501(M) has remained unchanged since the enactment of the definition of Investment Advisor by the General Assembly in 1974, and is of the opinion that the Commission should not attempt to modify that definition by rule.

The Commission considered the suggestion that a de minimus exclusion be added to the rules so as to exclude those advisors with a small number of advisory clients in Virginia. The Commission is of the opinion that while there is some merit in the suggestion it is a matter better left to legislative clarification.

The Commission further considered the suggestion that Rule 1300 be revised to exclude advisors to governmental agencies or other "sophisticated" investors such as those which control or manage large employee retirement funds. Consequently, Rule 1300, as originally proposed, has been amended to exclude from the definition of investment advisor those persons engaged in the advisory business whose only client in Virginia is a governmental agency or instrumentality, as well as any employee benefit plan with assets of not less than five million dollars (\$5,000,000).

Section 13.1-504C of the Code prohibits the employment of an investment advisor representative by more than one investment advisor. The Commission also considered potential practical problems raised in the hearing relating to this section and finds that these concerns are a matter of enforcement policy and thus should be resolved on a case-by-case basis rather than further definition by rule.

IN CONSIDERATION WHEREOF, the Commission is of the opinion and finds that the proposed rules as amended should be adopted and become effective as of July 2, 1987; it is therefore, ORDERED that the rules and forms,

copy of which is attached hereto, to implement the recently enacted amendments to the Securities Act (Va. Code § 13.1-501 et seq.) are adopted and shall become effective as of July 2, 1987.

ATTESTED COPIES hereof, including a copy of the rules, shall be sent to the Virginia Registrar of Regulations and all persons who filed comments or testified at the hearing conducted on June 24, 1987.

* * *

Title of Regulation: Rules for Investment Advisor and Investment Advisor Representatives.

ARTICLE X.
INVESTMENT ADVISOR REGISTRATION,
EXPIRATION, RENEWAL, UPDATES AND
AMENDMENTS, TERMINATION AND MERGER
OR CONSOLIDATION.

Rule 1000. Application for Registration as an Investment Advisor.

A. Application for registration as an investment advisor shall be filed with the Commission at its Division of Securities and Retail Franchising or such other entity designated by the Commission on and in full compliance with forms prescribed by the Commission and shall include all information required by such forms.

B. An application shall be deemed incomplete for purposes of applying for registration as an investment advisor unless the following executed forms, fee and information are submitted:

1. Form ADV.
2. The statutory fee in the amount of \$200.00. The check must be made payable to the Treasurer of Virginia.
3. Signed and executed Agreement for Inspection of Records.
4. Any other information the Commission may require.

C. The Commission shall either grant or deny each application for registration within thirty days following the filing of the application. However, this period may be extended if additional time is required for a formal hearing on the application.

Rule 1001. Expiration.

An investment advisor's registration shall expire annually at midnight on the thirty-first day of December, unless renewed in accordance with Rule 1002.

Rule 1002. Renewals.

State Corporation Commission

To renew its registration, an investment advisor will be billed by the NASAA/NASD Central Registration Depository the statutory fee of \$200 prior to the annual expiration date. A renewal of registration shall be granted as of course upon payment of the proper fee together with any surety bond that the Commission may pursuant to subsection B require unless the registration was, or the renewal would be, subject to revocation under § 13.1-506.

Rule 1003. Updates and Amendments.

An investment advisor shall update its Form ADV as required by the "Updating" provisions of Item 7 of Form ADV Instructions and shall file all such amendments with the Commission at its Division of Securities and Retail Franchising.

Rule 1004. Termination of Registration.

When an investment advisor desires to terminate its registration, it shall file a written request for such termination with the Commission at its Division of Securities and Retail Franchising. An investment advisor may file SEC Form ADV-W in lieu of a written request for termination.

Rule 1005. Investment Advisor Merger or Consolidation.

In any merger or consolidation of an investment advisor a new application for registration together with the proper fee must be filed with the Commission at its Division of Securities and Retail Franchising.

For each investment advisor representative of the new or surviving entity who will transact business in this Commonwealth, an application for registration together with the proper fee(s) must also be filed on and in compliance with all requirements of the NASAA/NASD Central Registration Depository system and in full compliance with the forms prescribed by the Commission.

ARTICLE XI. INVESTMENT ADVISOR REPRESENTATIVE REGISTRATION, EXPIRATION, UPDATES AND AMENDMENTS, TERMINATION, AND CHANGING CONNECTION FROM ONE INVESTMENT ADVISOR TO ANOTHER.

Rule 1100. Application for Registration as an Investment Advisor Representative.

A. Application for registration as an investment advisor representative shall be filed on and in compliance with all requirements of the NASAA/NASD Central Registration Depository system and in full compliance with forms prescribed by the Commission. The application shall include all information required by such forms.

B. An application shall be deemed incomplete for purposes of applying for registration as an investment advisor representative unless the following executed forms,

fee and information are submitted:

1. Form U-4.
2. The statutory fee in the amount of \$30.00. The check must be made payable to the NASD.
3. Any other information the Commission may require.

C. The Commission shall either grant or deny each application for registration within thirty (30) days following the filing of the application. However, this period may be extended if additional time is required for a formal hearing on the application.

Rule 1101. Expiration.

The registration of an investment advisor representative shall expire annually at midnight on the thirty-first day of December unless renewed in accordance with Rule 1102.

Rule 1102. Renewals.

To renew the registration(s) of its investment advisor representative(s), an investment advisor shall file with the NASAA/NASD Central Registration Depository all documents, fees and information necessary to comply with the requirements of the Commission and the NASAA/NASD Central Registration Depository system.

Rule 1103. Updates and Amendments.

An investment advisor representative shall amend or update his/her Form U-4 as required by the "Amendment Filings" provisions set forth under "How to Use Form U-4." All filings shall be made with the NASAA/NASD Central Registration Depository system.

Rule 1104. Termination of Registration.

When an investment advisor representative terminates a connection with an investment advisor, or an investment advisor terminates connection with an investment advisor representative, the investment advisor shall file with the the NASAA/NASD Central Registration Depository system notice of such termination on Form U-5 within 30 calendar days of the date of termination.

Rule 1105. Changing a Connection from One Investment Advisor to Another.

An investment advisor representative who changes connection from one investment advisor to another shall comply with Rule 1100.

ARTICLE XII. INVESTMENT ADVISOR AND INVESTMENT ADVISOR REPRESENTATIVE REGULATIONS.

Rule 1200. Custody of Client Funds or Securities by Investment Advisors.

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An investment advisor who takes or has custody of any securities or funds of any client must comply with the following:

1. The investment advisor shall notify the Commission that it has or may have custody. Such notification may be given on Form ADV.

2. The securities of each client must be segregated, marked to identify the particular client having the beneficial interest therein and held in safekeeping in some place reasonably free from risk of destruction or other loss.

3. (a) All client funds must be deposited in one or more bank accounts containing only clients' funds, (b) such account or accounts must be maintained in the name of the investment advisor or agent or trustee for such clients, and (c) the investment advisor must maintain a separate record for each such account showing the name and address of the bank where the account is maintained, the dates and amounts of deposits in and withdrawals from the account, and the exact amount of each client's beneficial interest in the account.

4. Immediately after accepting custody or possession of funds or securities from any client, the investment advisor must notify the client in writing of the place where and the manner in which the funds and securities will be maintained and subsequently, if and when there is a change in the place where or the manner in which the funds or securities are maintained, the investment advisor must give written notice thereof to the client.

5. At least once every three months, the investment advisor must send each client an itemized statement showing the funds and securities in the investment advisor's custody at the end of such period and all debits, credits and transactions in the client's account during such period.

6. At least once every calendar year, an independent public accountant must verify all client funds and securities by actual examination at a time chosen by the accountant without prior notice to the investment advisor. A certificate of such accountant stating that he or she has made an examination of such funds and securities, and describing the nature and extent of the examination, shall be filed with the Commission promptly after each such examination.

7. This rule shall not apply to an investment advisor also registered as a broker-dealer under § 15 of the Securities and Exchange Act of 1934 if the broker-dealer is (1) subject to and in compliance with SEC Rule 15c3-1 (Net Capital Requirements for Brokers or Dealers) [17 C.R.R. 240.15c3-1] under the Securities Exchange Act of 1934, or (2) a member of an exchange whose members are exempt from SEC

Rule 15c3-1, [17 C.F.R. 240.15c3-1] under the provisions of paragraph (b)(2) thereof, and the broker-dealer is in compliance with all rules and settled practices of the exchange imposing requirements with respect to financial responsibility and the segregation of funds or securities carried for the account of customers.

Rule 1201. Agency Cross Transactions.

A. For purposes of this rule, "agency cross transaction" means a transaction in which an investment advisor, or any person controlling, controlled by, or under common control with such investment advisor, including an investment advisor representative, acts as a broker-dealer for both the advisory client and the person on the other side of the transaction.

B. An investment advisor effecting an agency cross transaction for an advisory client shall comply with the following conditions:

1. Obtain from the advisory client a written consent prospectively authorizing the investment advisor to effect agency cross transactions for such client.

2. Before obtaining such written consent from the client, disclose to the client in writing that, with respect to agency cross transactions, the investment advisor will act as broker-dealer for, receive commissions from and have a potentially conflicting division of loyalties and responsibilities regarding both parties to the transactions.

3. At or before the completion of each agency cross transaction, send the client a written confirmation. The written confirmation shall include (a) a statement of the nature of the transaction, (b) the date the transaction took place (c) an offer to furnish, upon request, the time when the transaction took place and (d) the source and amount of any other remuneration the investment advisor received or will receive in connection with the transaction. In the case of a purchase, if the investment advisor was not participating in a distribution, or, in the case of a sale, if the investment advisor was not participating in a tender offer, the written confirmation may state whether the investment advisor has been receiving or will receive any other remuneration and that the investment advisor will furnish to the client the source and amount of such remuneration upon the client's written request.

4. At least annually, and with or as part of any written statement or summary of the account from the investment advisor, send each client a written disclosure statement identifying (a) the total number of agency cross transactions during the period since the date of the last such statement or summary and (b) the total amount of all commissions or other remuneration the investment advisor received or will receive in connection with agency cross transactions

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during the period.

5. Each written disclosure and confirmation required by this rule must include a conspicuous statement that the client may revoke the written consent required under subsection B.1 of this rule at any time by providing written notice of revocation to the investment advisor.

6. No agency cross transaction may be effected in which the same investment advisor recommended the transaction to both any seller and any purchaser.

C. Nothing in this rule shall be construed to relieve an investment advisor or investment advisor representative from acting in the best interests of the client, including fulfilling his duty with respect to the best price and execution for the particular transaction for the client nor shall it relieve any investment advisor or investment advisor representative of any other disclosure obligations imposed by the Act.

Rule 1202. Record-Keeping Requirements for Investment Advisors.

A. Every investment advisor registered or required to be registered under the Act shall make and keep the following books, ledgers and records:

1. A journal or journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger.

2. General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.

3. A memorandum of each order given by the investment advisor for the purchase or sale of any security, of any instruction received by the investment advisor from the client concerning the purchase, sale, receipt or delivery of a particular security, and of any modification or cancellation of any such order or instruction. Such memoranda shall show the terms and conditions of the order, instruction, modification or cancellation; shall identify the person connected with the investment advisor who recommended the transaction to the client and the person who placed such order; and shall show the account for which entered, the date of entry, and the bank, broker or dealer by or through whom executed where appropriate. Orders entered pursuant to the exercise of discretionary power shall be so designated.

4. All check books, bank statements, cancelled checks and cash reconciliations of the investment advisor.

5. All bills or statements (or copies thereof), paid or unpaid, relating to the business of the investment advisor as such.

6. All trial balances, financial statements, and internal audit working papers relating to the business of such investment advisor.

7. Originals of all written communications received and copies of all written communications sent by such investment advisor relating to (i) any recommendation made or proposed to be made and any advice given or proposed to be given, (ii) any receipt, disbursement or delivery of funds or securities, and (iii) the placing or execution of any order to purchase or sell any security; provided, however, (a) that the investment advisor shall not be required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for the investment advisor, and (b) that if the investment advisor sends any notice, circular or other advertisement offering any report, analysis, publication or other investment advisory service to more than 10 persons, the investment advisor shall not be required to keep a record of the names and addresses of the persons to whom it was sent; except that if such notice, circular or advertisement is distributed to persons named on any list, the investment advisor shall retain with a copy of such notice, circular or advertisement a memorandum describing the list and the source thereof.

8. A list or other record of all accounts in which the investment advisor is vested with any discretionary power with respect to the funds, securities or transactions of any client.

9. All powers of attorney and other evidences of the granting of any discretionary authority by any client to the investment advisor, or copies thereof.

10. All written agreements (or copies thereof) entered into by the investment advisor with any client or otherwise relating to the business of such investment advisor as such.

11. A copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication recommending the purchase or sale of a specific security, which the investment advisor circulates or distributes, directly or indirectly, to 10 or more persons (other than investment advisory clients or persons connected with such investment advisor), and if such notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication does not state the reasons for such recommendation, a memorandum of the investment advisor indicating the reasons therefor.

12. (a) A record of every transaction in a security in which the investment advisor or any investment advisor representative of such investment advisor has, or by reason of such transaction acquires, any direct or indirect beneficial ownership, except (i) transactions effected in any account over which

neither the investment advisor nor any investment advisor representative of the investment advisor has any direct or indirect influence or control; and (ii) transactions in securities which are direct obligations of the United States. Such record shall state the title and amount of the security involved; the date and nature of the transaction (i.e., purchase, sale or other acquisition or disposition); the price at which it was effected; and the name of the broker, dealer or bank with or through whom the transaction was effected. Such record may also contain a statement declaring that the reporting or recording of any such transaction shall not be construed as an admission that the investment advisor or investment advisor representative has any direct or indirect beneficial ownership in the security. A transaction shall be recorded not later than 10 days after the end of the calendar quarter in which the transaction was effected. (b) An investment advisor shall not be deemed to have violated the provisions of this paragraph 12 because of his failure to record securities transactions of any investment advisor representative if he establishes that he instituted adequate procedures and used reasonable diligence to obtain promptly reports of all transactions required to be recorded.

13. (a) Notwithstanding the provisions of paragraph 12 above, where the investment advisor is primarily engaged in a business or businesses other than advising registered investment companies or other advisory clients, a record must be maintained of every transaction in a security in which the investment advisor or any investment advisor representative of such investment advisor has, or by reason of such transaction acquires, any direct or indirect beneficial ownership, except (i) transactions effected in any account over which neither the investment advisor nor any investment advisor representative of the investment advisor has any direct or indirect influence or control; and (ii) transactions in securities which are direct obligations of the United States. Such record shall state the title and amount of the security involved; the date and nature of the transaction (i.e., purchase, sale or other acquisition or disposition); the price at which it was effected; and the name of the broker, dealer or bank with or through whom the transaction was effected. Such record may also contain a statement declaring that the reporting or recording of any such transaction shall not be construed as an admission that the investment advisor or investment advisor representative has any direct or indirect beneficial ownership in the security. A transaction shall be recorded not later than 10 days after the end of the calendar quarter in which the transaction was effected.

(b) An investment advisor is "primarily engaged in a business or businesses other than advising registered investment companies or other advisory clients" when, for each of its most recent three

fiscal years or for the period of time since organization, whichever is less, the investment advisor derived, on an unconsolidated basis, more than 50% of (i) its total sales and revenues, and (ii) its income (or loss) before income taxes and extraordinary items, from such other business or businesses.

(c) An investment advisor shall not be deemed to have violated the provisions of this paragraph 13 because of his failure to record securities transactions of any investment advisor representative if he establishes that he instituted adequate procedures and used reasonable diligence to obtain promptly reports of all transactions required to be recorded.

14. A copy of each written statement and each amendment or revision thereof, given or sent to any client or prospective client of such investment advisor in accordance with the provisions of Rule 1205 and a record of the dates that each written statement, and each amendment or revision thereof, was given, or offered to be given, to any client or prospective client who subsequently becomes a client.

B. If an investment advisor subject to subsection A of this rule has custody or possession of securities or funds of any client, the records required to be made and kept under subsection A above shall include:

1. A journal or other record showing all purchases, sales, receipts and deliveries of securities (including certificate numbers) for such accounts and all other debits and credits to such accounts.
2. A separate ledger account for each such client showing all purchases, sales, receipts and deliveries of securities, the date and price of each such purchase and sale, and all debits and credits.
3. Copies of confirmations of all transactions effected by or for the account of any such client.
4. A record for each security in which any such client has a position, which record shall show the name of each such client having any interest in each security, the amount or interest of each such client, and the location of each such security.

C. Every investment advisor subject to subsection A of this rule who renders any investment advisory or management service to any client shall, with respect to the portfolio being supervised or managed and to the extent that the information is reasonably available to or obtainable by the investment advisor, make and keep true, accurate and current:

1. Records showing separately for each such client the securities purchased and sold, and the date, amount and price of each such purchase and sale.

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2. For each security in which any such client has a current position, information from which the investment advisor can promptly furnish the name of each such client, and the current amount or interest of such client.

D. Any books or records required by this rule may be maintained by the investment advisor in such manner that the identity of any client to whom such investment advisor renders investment advisory services is indicated by numerical or alphabetical code or some similar designation.

E. 1. All books and records required to be made under the provisions of subsections A to C.1, inclusive, of this rule shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years of such period in the office of the investment advisor.

2. Partnership articles and any amendments thereto, articles of incorporation, charters, minute books, and stock certificate books of the investment advisor and of any predecessor, shall be maintained in the principal office of the investment advisor and preserved until at least three years after termination of the enterprise.

F. An investment advisor subject to subsection A of this rule, before ceasing to conduct or discontinuing business as an investment advisor shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved under this rule for the remainder of the period specified in this rule, and shall notify the Commission in writing of the exact address where such books and records will be maintained during such period.

G. All books, records or other documents required to be maintained and preserved under this Rule may be stored on microfilm, microfiche, or an electronic data processing system or similar system utilizing an internal memory device provided a printed copy of any such record is immediately accessible.

H. Any book or record made, kept, maintained, and preserved in compliance with SEC Rules 17a-3 [17 C.F.R. 240.17a-3] and 17a-4 [17 C.F.R. 240.17a-4] under the Securities Exchange Act of 1934, which is substantially the same as the book, or other record required to be made, kept, maintained, and preserved under this Rule shall be deemed to be made, kept, maintained, and preserved in compliance with this Rule.

Rule 1203. Supervision of Investment Advisor Representatives.

A. An investment advisor shall be responsible for the acts, practices, and conduct of its investment advisor representatives in connection with advisory services until

such time as the investment advisor representatives have been properly terminated as provided by Rule 1104.

B. Every investment advisor shall exercise diligent supervision over the advisory activities of all of its investment advisor representatives.

C. Every investment advisor representative employed by an investment advisor shall be subject to the supervision of a supervisor designated by such investment advisor. The supervisor may be the investment advisor in the case of a sole proprietor, or a partner, officer, office manager or any qualified investment advisor representative in the case of entities other than sole proprietorships.

D. As part of its responsibility under this rule, every investment advisor shall establish, maintain and enforce written procedures, a copy of which shall be kept in each business office, which shall set forth the procedures adopted by the investment advisor, which shall include but not be limited to the following duties imposed by this rule.

1. The review and written approval by the designated supervisor of the opening of each new client account;

2. The frequent examination of all client accounts to detect and prevent irregularities or abuses;

3. The prompt review and written approval by a designated supervisor of all advisory transactions by investment advisor representatives and of all correspondence pertaining to the solicitation or execution of all advisory transactions by investment advisor representatives;

4. The prompt review and written approval of the handling of all client complaints.

E. Every investment advisor who has designated more than one supervisor pursuant to subsection C of this rule shall designate from among its partners, officers, or other qualified investment advisor representatives, a person or group of persons who shall:

1. Supervise and periodically review the activities of the supervisors designated pursuant to subsection C of this rule; and

2. Periodically inspect each business office under his/her supervision to insure that the written procedures are being enforced.

Rule 1204. Requirements for Surety Bonds and Financial Reporting.

A. Investment advisors required to provide a balance sheet pursuant to Part II, Item 14 of Form ADV must demonstrate a net worth in excess of \$25,000.

B. Investment advisors subject to A above, whose net worth drops below \$25,001, must notify the Division of

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Securities and Retail Franchising within 24 hours of initial awareness of the discrepancy and immediately take action to establish a net worth in excess of \$25,000 or obtain a surety bond in the penalty amount of \$25,000. The surety bond form prescribed by Rule 800 must be utilized. Additionally, within 24 hours after transmitting such notice, the investment advisor shall file a report with the Division of Securities and Retail Franchising of its financial condition, including the following:

1. A trial balance of all ledger accounts.
2. A computation of net worth.
3. A statement of all client funds or securities which are not segregated.
4. A computation of the aggregate amount of client ledger debit balances.
5. A statement as to the number of client accounts.

Rule 1205. Disclosure Requirements

A. For purposes of compliance with Section 13.1-505.1 of the Act, a copy of Part II of Form ADV must be given to clients of investment advisors, or a brochure containing such information may be utilized.

B. The investment advisor or its registered representatives shall deliver the disclosure information required by this section to an advisory client or prospective advisory client:

1. Not less than 48 hours prior to entering into any investment advisory contract with such client or prospective client, or
2. At the time of entering into any such contract, if the advisory client has a right to terminate the contract without penalty within five calendar days after entering into the contract.

C. A copy of Part II of Form ADV or the brochure to be given to clients must be filed with the Commission at its Division of Securities and Retail Franchising not later than the time of its use.

D. If an investment advisor renders substantially different types of investment advisory services to different advisory clients, any information required by Part II of Form ADV may be omitted from the statement furnished to an advisory client or prospective advisory client if such information is applicable only to a type of investment advisory service or fee which is not rendered or charged, or proposed to be rendered or charged to that client or prospective client.

ARTICLE XIII. EXCLUSIONS.

Rule 1300. Exclusions from Definition of "Investment Advisor".

Pursuant to Section 13.1-501(m)(vi) of the Act, the term "investment advisor" does not include any person engaged in the investment advisory business whose only client in this Commonwealth is one (or more) of the following:

A. An investment company as defined in the Investment Company Act of 1940.

B. An insurance company licensed to transact insurance business in this Commonwealth.

C. A bank, a bank holding company as defined in the Bank Holding Company Act of 1956 (12 USC Section 1841 et seq.), a trust subsidiary organized under Article 3.1 (Section 6.1-32.1 et seq.) of Chapter 2 of Title 6.1 of the Code of Virginia, a savings institution, a credit union, or a trust company if any of the foregoing is either (1) authorized or licensed to transact such business in this Commonwealth or (2) organized under the laws of the United States.

D. A broker-dealer so registered under the Act and under the Securities and Exchange Act of 1934.

E. An employee benefit plan with assets of not less than \$5,000,000.

F. A governmental agency or instrumentality.

ARTICLE XIV.

MISCELLANEOUS.

Rule 1400 Clarification of Investment Advisor Representative.

Pursuant to § 13.1-523 of the Act for purposes of § 13.1-501(n)(iv) of the Act, a person is defined to have prepared reports or analyses concerning securities if she or he is identified to a client as having prepared such reports or analyses.

Form U-4

Uniform Application for Securities Industry Registration or Transfer

HOW TO USE FORM U-4

How the Form Works

An individual applies for registration for the first time by filing a complete Form U-4 with the Central Registration Depository (CRD). After an individual has filed a complete Form U-4 with the CRD, a change of employment or association from one broker-dealer to another is effected by filing only pages 1, 3 and 4 of this form. Since the data contained on page 2 is primarily of an historical nature, it need not be resubmitted with each successive filing.

To keep the CRD current, page 1 (item 13) requires the applicants to provide their current address and update their broker-dealer employment history to report the termination from their previous firm(s). This information will update the individual's record and lessen the probability of application deficiencies. Both initially and with each subsequent change of employment or association to another broker-dealer, the filing must be accompanied by a fingerprint card unless exempt from the fingerprint requirement pursuant to SEC Rule 17f-2.

Additionally, if the applicant has other changes to employment history (item 19) or other affiliations (item 20) which are not covered in item 12, the new information should be submitted on page 2 along with the balance of the filing.

Information contained on Form U-4 must be kept current. As changes occur, the CRD should be updated by an amendment filing. Amendments are accomplished by filing the appropriate page(s) containing only the information in need of revision.

Complete Filings

File a complete Form U-4 if any of the following circumstances apply:

1. the applicant has never been registered;
2. the applicant has previously been registered but not within the last 120 calendar days;
3. the applicant has been continuously registered but has never filed a complete Form U-4 with the CRD or
4. the applicant has been continuously registered, but has amendments to page 2 data not covered by Items 4 and 12 on page 1.

Partial Filings

In all other cases, file only pages 1, 3 and 4 of Form U-4.

The 120 calendar day time frame mentioned above has no bearing upon filing deadlines which are specified as part of the Temporary Agent Transfer Program (TAT). It only serves to specify the period during which a partial filing (pages 1, 3 and 4) is acceptable. Notwithstanding the applicability of the Temporary Agent Transfer Program, all individuals meeting the partial filing criteria should file only pages 1, 3 and 4.

For information regarding the TAT Program call NASD Information Services at (301) 738-6500.

Amendment Filings

Amendment filings are required to:

1. correct deficiencies in a previous filing;
2. update and keep current the information required by the form;
3. request additional registrations with jurisdictions or self-regulatory organizations; and
4. request an examination (See General Instructions Number 5).

Amendments are made by filing the appropriate page(s) of the form answering only the item(s) which are in need of revision. Each amendment page must be manually signed in accordance with the instructions found on the respective page(s).

Supplements to Form BD:

Page 2 of this form is required to be filed on behalf of any natural person listed on Schedule A, B or C of Form BD who does not require registration.

When filing Page 2 of this form for such an individual, the broker-dealer name must appear in the Business and Personal History section (item 19) or in item 20 as may apply. Signatures on those Page 2 filings are not required; however, the filing must be accompanied by an Execution Page of Form BD.

GENERAL INSTRUCTIONS

1. All information must be typed or neatly printed in BLACK INK.
2. All information required by Form U-4 must be submitted on the officially prescribed form, or mechanical reproduction thereof. All pages containing this information may be mechanically reproduced by any method producing clear, legible copies of identical type size.
3. All questions must be answered. Enter "none" or "N/A" ("not applicable") where this is the appropriate response. Failure to complete all required items may cause the form to be returned unprocessed or considered deficient.
4. An applicant must use all space provided on the form before using the Form U-4 Attachment Sheet. Except for copies of supporting documents, additional and/or explanatory information must be submitted on the Form U-4 Attachment Sheet. Copied documents must be clearly identified with the applicant's name and CRD # or Social Security #, as well as the item # being answered.
5. All required signatures must be original. Mechanical reproductions of signatures will not be accepted. Page 1, when it is being used only to request an exam, requires no signature.

6. An applicant is under a continuing obligation to update information required by Form U-4 as changes occur. To amend information, file the appropriate page(s) of Form U-4 bearing the updated data.
7. For purposes of this form, the term "jurisdiction" means a state, territory, the District of Columbia, the Commonwealth of Puerto Rico, a province of the Dominion of Canada or any subdivision or regulatory body thereof.
8. For purposes of this form, the terms "self-regulatory organization" or "organization" mean any national securities and commodities exchange, any national securities association (e.g., the NASD), or any registered clearing agency.
9. For purposes of this form, the term "Control" means the power to direct or cause the direction of the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any individual or firm that is a director, partner or officer exercising executive responsibility (or having similar status or functions) or that directly or indirectly has the right to vote 25 percent or more of the voting securities or is entitled to 25 percent or more of the profits is presumed to control that company.
10. For purposes of this form, "appropriate signatory" means the individual designated by the broker-dealer or futures sponsor who is authorized to execute Form U-4 on behalf of the broker-dealer or futures sponsor. Such individual must meet the criteria, if any, for acting as the "appropriate signatory" as established by the jurisdictions or self-regulatory organizations requiring this form to be filed.

SPECIFIC INSTRUCTIONS

Items 1-12 must be completed by employer.

Item

5. Specify applicant's initial date (month, day and year) of employment or association with the firm.
8. If the answer to item 8 is "Yes", consult the rules and statutes of the appropriate self-regulatory organizations and jurisdictions for prohibitions and liability provisions. Employment with other broker-dealers must be listed in the Business and Personal History item on page 2.
9. When an applicant seeks simultaneous registration with more than one broker-dealer under common ownership or control, list the primary broker-dealer under item 4 and affiliated firms under item 9. If the registrations requested under item 10 are common to all firms, the CRD will process them from this single form filing. However, if the applicant seeks registration with a different set of self-regulatory organizations and jurisdictions for the affiliates, a separate page 1 for each affiliate must accompany the application.
10. Indicate the self-regulatory organizations and jurisdictions where registration is being sought. The checking of a box in item #10 constitutes an application for registration via the CRD and will cause the applicable fee to be charged to the broker-dealer's CRD account.

In the case of a Temporary Agent Transfer (TAT), failure to check those jurisdictions and self-regulatory organizations for which a TAT is in effect will result in expiration without registration. However, additional registrations may be requested in the same filing.

11. An applicant may apply for one or more categories of registration in a filing with the CRD. If an applicant does not qualify for the category of registration requested, the required examination will be scheduled and the examination fee(s) charged to the broker-dealer's CRD account.

The "Reschedule Exam Series" box should be used to:

1. request re-examination, or
2. schedule an examination for an individual whose current exam qualifications are not accepted by a specific jurisdiction or self-regulatory organization.

Item 12 must be completed in all partial filings.

Items 13 through 22 must be completed by applicant.

15. Include any names by which you are or have been known other than your current legal name. This includes any nicknames, maiden names or married names by which you are now or have been known since adulthood.
20. The following information should be furnished:
 1. the full name and address of the business;
 2. the nature of the business;
 3. your title or position;
 4. a brief description of your duties;
 5. the amount of time you devote to the business; and
 6. whether it is during securities trading hours.
22. For each question answered "Yes", supply the following information in complete detail:
 1. who was involved (e.g., the parties to any proceedings); when it happened;
 2. what the circumstances were, in your own words;
 3. what the final disposition was, if any; and the date on which that disposition was made; and
 4. a copy of any applicable documents such as any complaint, plea order, agreement of settlement, verdict or other findings made.

IMPORTANT

PLEASE USE THE GREEN LABEL FOR CRD MAILINGS
TO EXPEDITE PROCESSING.

NASAA/NASD CENTRAL
REGISTRATION DEPOSITORY
P.O. BOX 9401
GAITHERSBURG, MD 20898-9401

Effective date: July 2, 1987

FORM U-4 UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

If there is an amendment to this page, complete only items 13, 14 and the items being amended.

FIRM CRO # _____ SOCIAL SECURITY # _____
 INDIVIDUAL CRO # _____
 INDIVIDUAL SOCIAL SECURITY # _____
 INDIVIDUAL NPA # _____

PERSONAL DATA
 LAST NAME _____ FIRST NAME _____ MIDDLE NAME _____ OTHER NAMES KNOWN BY _____
 DATE OF BIRTH (Month, Day, Year) _____ SEX M F O HAIR COLOR _____ EYE COLOR _____
 WEIGHT _____

RESIDENTIAL HISTORY
 GIVE ALL ADDRESSES FOR THE PAST FIVE YEARS STARTING WITH CURRENT ADDRESS
 STREET _____ CITY _____ STATE _____ ZIP _____
 STREET _____ CITY _____ STATE _____ ZIP _____
 STREET _____ CITY _____ STATE _____ ZIP _____
 STREET _____ CITY _____ STATE _____ ZIP _____
 STREET _____ CITY _____ STATE _____ ZIP _____

EMPLOYMENT AND PERSONAL HISTORY

ACCOUNT FOR ALL TIME FOR THE PAST TEN YEARS. Give all employment experience starting with your previous employer and working back ten years to the present, including military service, unemployment and training education. If this page is being filed as part of a Form BD, list only your present employer, instead.

NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE
NAME	STATE	CITY	ZIP	POSITION HELD	DATE	DATE

The appropriate signature area DOES NOT have to be completed UNLESS this page is being submitted as an amendment.
 MONTH DAY YEAR SIGNATURE OF APPROPRIATE SIGNATORY
 TYPED OR PRINTED NAME OF APPROPRIATE SIGNATORY (CRO USE ONLY)

FORM U-4 UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

If there is an amendment to this page, complete only items 13, 14 and the items being amended.

FIRM CRO # _____ SOCIAL SECURITY # _____
 INDIVIDUAL CRO # _____
 INDIVIDUAL SOCIAL SECURITY # _____
 INDIVIDUAL NPA # _____

BRANCH I.D.# _____ OFFICE OF EMPLOYMENT ADDRESS _____ STREET _____ CITY _____ STATE _____ ZIP _____
 Will applicant maintain registration with another Broker/Dealer not under common ownership or control with the firm named in item 4 above? Yes No
 If "Yes," list in item 19.

TO BE REGISTERED WITH THE FOLLOWING
 Name of Firm _____
 Name of Firm _____
 Name of Firm _____

TYPE OF EXAMINATION/REGISTRATION REQUESTED (check all applicable categories)

<input type="checkbox"/> S-3 (CR) Community Futures	<input type="checkbox"/> S-22 (DR) Direct Participation Programs Representative	<input type="checkbox"/> S-62 (CS) Corporate Securities Representative
<input type="checkbox"/> S-4 (DP) Registered Options Principal	<input type="checkbox"/> S-24 (GP) General Securities Principal	<input type="checkbox"/> S-63 Uniform Securities Agent State Law Examination
<input type="checkbox"/> S-5 (DI) Interest Rate Options	<input type="checkbox"/> S-28 (IP) Investment Company and Variable Contracts Products Representative	<input type="checkbox"/> (AG) Agent
<input type="checkbox"/> S-6 (IR) Investment Company and Variable Contracts Products Representative	<input type="checkbox"/> S-27 (FN) Financial and Operations Principal	<input type="checkbox"/> (RG) Government Securities Representative
<input type="checkbox"/> S-7 (GS) Full Registration/General Securities Representative	<input type="checkbox"/> S-39 (DP) Direct Participation Programs Principal	<input type="checkbox"/> (PG) Government Securities Principal
<input type="checkbox"/> S-8 (SU) General Securities Sales Supervisor	<input type="checkbox"/> S-42 (OR) Options Representative	<input type="checkbox"/> Member Exchange
<input type="checkbox"/> S-8 (BM) Branch Office Manager (NYSE)	<input type="checkbox"/> S-52 (IM) Municipal Securities Representative	<input type="checkbox"/> (AM) Allied Member
<input type="checkbox"/> S-15 (FC) Foreign Currency Options	<input type="checkbox"/> S-53 (MP) Municipal Securities Principal	<input type="checkbox"/> Retestable Exam Series
<input type="checkbox"/> S-16 (SA) Supervisory Analyst	<input type="checkbox"/> S-54 (RM) Municipal Securities Financial Representative	<input type="checkbox"/> Other _____

THIS PORTION MUST BE COMPLETED FOR PARTIAL TRANSFER OR REGISTRATION PLINGS
 APPLICANT'S CURRENT ADDRESS _____ STREET _____ CITY _____ STATE _____ ZIP _____
 TERMINATION DATE (Mo/Day/Year) _____
 IF FIRM IS TRANSFERRING FROM: _____

CHECK IF THIS U-4 IS BEING FILED TO MAKE PERMANENT A TEMPORARY REGISTRATION (TAT).
 The appropriate signature area DOES NOT have to be completed UNLESS this page is being submitted as an amendment.
 MONTH DAY YEAR SIGNATURE OF APPROPRIATE SIGNATORY

FORM ADV
Part I - Page 1 **Uniform Application for Investment Adviser Registration**

OMB APPROVAL
 OMB No.: 3235-0049
 Expires: June 30, 1989

This filing is an: <input type="checkbox"/> Initial Application or an <input type="checkbox"/> Amendment	If this filing is an Amendment: • Give the Applicant's SEC File Number 801- _____ • Is Applicant now active in business as an Investment Adviser? Yes No
---	--

WARNING: Failure to complete this Form accurately and keep it current subjects applicant to administrative, civil and criminal penalties.

1. A. Applicant's full name (if sole proprietor, state last, first and middle name): _____			
B. Name under which business is conducted, if different: _____			
C. If business name is being amended, give previous name: _____			
2. A. Principal place of business: (Number and Street — Do not use P.O. Box Number) _____ (City) _____ (State) _____ (Zip Code)			
B. Hours business is conducted at this location: from _____ to _____		C. Telephone Number _____ (Area Code) _____ (Telephone Number) at this location:	
D. Mailing address, if different _____ (Number and Street or P.O. Box Number) _____ (City) _____ (State) _____ (Zip Code) from address given in 2A:			
E. Is the address in Item 2A or 2D being amended in this filing? _____ Yes No			
F. On Schedule E give the addresses and telephone numbers of all offices at which applicant's investment advisory business is conducted, other than the one given in Item 2A.			
3. A. If books and records required by Section 204 of the Investment Advisers Act of 1940 are kept somewhere other than at the principal place of business on Schedule E: Name and address of entity where books and records are kept: _____ (Number and Street) _____ (City) _____ (State) _____ (Zip Code)			
B. Hours business is conducted at this location: from _____ to _____		C. Telephone Number _____ (Area Code) _____ (Telephone Number) at this location:	

EXECUTION

For the purpose of complying with the laws of the State(s) I have marked in Item 7 relating to the giving of investment advice, I hereby certify that the applicant is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s), or such other person designated by law, and the successors in such office, my attorney in said State(s) upon whom may be served any notice, process or pleading in any action or proceeding against me arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s) and I do hereby consent that any such action or proceeding against me may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if I were a resident in said State(s) and had lawfully been served with process in said State(s).

The undersigned, being first duly sworn, deposes and says that he has executed this Form on behalf of, and with the authority of, said applicant. The undersigned and applicant represent that the information and statements contained herein, including exhibits attached hereto and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and applicant further represent that to the extent any information previously submitted is not amended, such information is currently accurate and complete.

Date: _____	Name of Applicant: _____	By (Signature): _____
Typed Name and Title: _____		
Subscribed and sworn before me this _____ day of _____, 19____		
By: _____		
My commission expires _____	County of _____	State of _____

Answer all items.

6. **Continuation Sheets** — Schedules E and F provide additional space for continuing Form ADV items (Schedule E for Part I; Schedule F for Part II) but not for continuing Schedules A, B, C, D or G. To continue those schedules, use copies of the schedule being continued.

7. **SEC Filings**

- Submit filings in triplicate to the U.S. Securities and Exchange Commission, Washington, DC. 20549. To register, submit a check or money order for \$150 payable to the U.S. Securities and Exchange Commission. This fee is non-refundable. There is no fee for amendments.
- **Non-Residents** — Rule 0-2 under the Investment Advisers Act of 1940 [17 CFR 275.0-2] covers those non-resident persons named anywhere in Form ADV that must file a consent to service of process and a power of attorney. Rule 204-2(j) under the Investment Advisers Act of 1940 [17 CFR 275.204-2] covers the notice of undertaking on books and records non-residents must file with Form ADV.
- **Updating.** Federal law requires filing amendments:
 - promptly for *any* changes in:
 - Part I — Items 1, 2, 3, 4, 5, 8, 11, 13A, 13B, 14A, and 14B;
 - promptly for *material* changes in:
 - Part I — Items 9 and 10 and all items of Part II except Item 14;
 - within 90 days of the end of the fiscal year for any other changes.
- **Federal Information Law and Requirements** — Investment Advisers Act of 1940 Sections 203(c), 204, 206, and 211(a) authorize the SEC to collect the information on this Form from applicants for investment adviser registration. The information is used for regulatory purposes, including deciding whether to grant registration. The SEC maintains files of the information on this form and makes it publicly available. Only the Social Security Number, which aids identifying the applicant, is voluntary. The SEC may return as unacceptable Forms that do not include all other information. By accepting this Form, however, the SEC does not make a finding that it has been filled out or submitted correctly. Intentional misstatements or omissions constitute Federal criminal violations under 18 USC 1001 and 15 USC 80b-17.

8. **Filings in Jurisdictions** — Consult the requirements of each jurisdiction in which you are filing to determine its requirements for, among other things:

- filings
- updates
- financial statements
- bonding
- examinations and qualifications
- photographs and fingerprints
- limitations on advisory fees

Information on a jurisdiction's requirements is available from its Securities Administrator. For the address and telephone number of the Securities Administrator in a jurisdiction, contact the North American Securities Administrators Association, Inc., 2930 S.W. Wanamaker Drive, Suite 5, Topeka, Kansas 66614, (913) 273-2600.

FORM ADV
Part I - Page 3

Applicant: _____ Date: _____
SEC File Number: _____
801

11. Disciplinary questions. Definitions:

- Advisory affiliate — A person named in Items 1.A., 10A or Schedules A, B or C, or an individual or firm that directly or indirectly controls or is controlled by the applicant, including any current employer except one performing only clerical, administrative, support or similar functions.
- Investment or investment-related — Pertaining to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with a broker-dealer, investment company, investment adviser, futures sponsor, bank or savings and loan association).
- Involved — Doing an act or aiding, abetting, counseling, commanding, inducing, conspiring with or falling reasonably to supervise another in doing an act.

A. In the past ten years has the applicant or an advisory affiliate been convicted of or pleaded guilty or nolo contendere ("no contest") to:

(1) a felony or misdemeanor involving:

- investment or an investment-related business
- fraud, false statements, or omissions
- wrongful taking of property or
- bribery, forgery, counterfeiting, or extortion?

Yes No

(2) any other felony? Yes No

B. Has any court:

(1) in the past ten years, enjoined the applicant or an advisory affiliate in connection with any investment-related activity? Yes No

(2) ever found that the applicant or an advisory affiliate was involved in a violation of investment-related statutes or regulations? Yes No

C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:

(1) found the applicant or an advisory affiliate to have made a false statement or omission? Yes No

(2) found the applicant or an advisory affiliate to have been involved in a violation of its regulations or statutes? Yes No

(3) found the applicant or an advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? Yes No

(4) entered an order denying, suspending or revoking the applicant's or an advisory affiliate's registration or otherwise disciplined it by restricting its activities? Yes No

D. Has any other federal regulatory agency or any state regulatory agency:

(1) ever found the applicant or an advisory affiliate to have made a false statement or omission or been dishonest, unfair, or unethical? Yes No

(2) ever found the applicant or an advisory affiliate to have been involved in a violation of investment regulations or statutes? Yes No

(3) ever found the applicant or an advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? Yes No

(4) in the past ten years, entered an order against the applicant or an advisory affiliate in connection with an investment-related activity? Yes No

(5) ever denied, suspended, or revoked the applicant's or an advisory affiliate's registration or license, prevented it from associating with an investment-related business, or otherwise disciplined it by restricting its activities? Yes No

(6) ever revoked or suspended the applicant's or an advisory affiliate's license as an attorney or accountant? Yes No

FORM ADV
Part I - Page 2

Applicant: _____ Date: _____
SEC File Number: _____
801

4. A. Persons to contact for further information about this Form: _____ (Name) _____ (Title)

B. Mailing Address (Number and Street, City, State, Zip Code): _____ (Area Code and Telephone Number) _____

5. A. Applicant consents that notice of any proceeding before the Securities and Exchange Commission or a jurisdiction in connection with its investment adviser registration may be given by registered or certified mail or confirmed telegram to: (Last Name) (First Name) (Middle Name)

B. (Number and Street) (City) (State) (Zip Code) §. Applicant's fiscal year ends: (Month) (Day)

7. In the box below, give status of applicant's investment adviser registration by indicating:

"1" for pending
"2" for registered

Securities and Exchange Commission

AL	AK	AZ	AR	CA	CO	CT	DC	DE	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	Puerto Rico

Other (Specify): _____

8. Applicant is a (check box that applies and complete those items):

A. CORPORATION. (1) Date of incorporation (Month, Day, Year): _____ (2) Jurisdiction where incorporated: _____
Complete Schedule A.

B. PARTNERSHIP. (1) Date of establishment (Month, Day, Year): _____ (2) Current legal address (Number, Street, City, State, Zip Code): _____
Complete Schedule B.

C. SOLE PROPRIETORSHIP. (1) Date business began (Month, Day, Year): _____ (2) Current legal address (Number, Street, City, State, Zip Code): _____
Complete Schedule C.

D. Other - Specify _____ (1) Date of establishment (Month, Day, Year): _____ (2) Current legal address (Number, Street, City, State, Zip Code): _____
Complete Schedule C.

9. Is the applicant taking over the business of a regulated investment adviser? Yes No

10. A. Does any person not named in Item 1A or Schedules A, B, or C through agreement or otherwise, control the management or policies of applicant? Yes No
(If yes, state on Schedule E the exact name of each person and describe the basis for the person's control.)

B. Is the applicant financed by a person not named in Items 1A or Schedules A, B, or C other than by: (1) a public offering under the Securities Act of 1933; (2) credit given in the ordinary course of business by banks, suppliers, or others; or (3) a satisfactory subordination agreement under Securities Exchange Act of 1934 Rule 13c3-1 (17 CFR 260.13c3-1)? Yes No
(If yes, state on Schedule E the exact name of each person and describe the arrangement through which financing is made available, including the amount.)

Answer all items. Complete enclosed pages in full, circle amended items and file with revocation order (see 1)

FORM ADV
Part I - Page 4

Applicant:	SEC File Number:	Date:
	801-	

- E. Has any self-regulatory organization or commodities exchange ever:
- | | | |
|--|------------------------------|-----------------------------|
| (1) found the applicant or an advisory affiliate to have made a false statement or omission? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) found the applicant or an advisory affiliate to have been involved in a violation of its rules? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) found the applicant or an advisory affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) disciplined the applicant or an advisory affiliate by expelling or suspending it from membership, by barring or suspending its association with other members, or by otherwise restricting its activities? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

F. Has any foreign government, court, regulatory agency, or exchange ever entered an order against the applicant or an advisory affiliate related to investments or fraud?

Yes No

G. Is the applicant or an advisory affiliate now the subject of any proceeding that could result in a 'yes' answer to parts A-F of this item?

Yes No

H. Has a bonding company denied, paid out on, or revoked a bond for the applicant?

Yes No

I. Does the applicant have any unsatisfied judgments or liens against it?

Yes No

J. Has the applicant or an advisory affiliate of the applicant ever been a securities firm or an advisory affiliate of a securities firm that has been declared bankrupt, had a trustee appointed under the Securities Investor Protection Act, or had a direct payment procedure begun?

Yes No

K. Has the applicant, or an officer, director or person owning 10% or more of the applicant's securities failed in business, made a compromise with creditors, filed a bankruptcy petition or been declared bankrupt?

Yes No

- If a 'yes' answer on Item 11 involves:
- an individual, complete a Schedule D for the individual
 - a partnership, corporation or other organization, on Schedule E give the following details of any court or regulatory action:
 - the organization and individuals named
 - the title and date of the action
 - the court or body taking the action
 - a description of the action.

12. Individual's Education, Business and Disciplinary Background. Complete a Schedule D for each individual who is:
- The applicant, named in Part I Item 1A
 - A control person named in Part I Item 10
 - An owner of at least 10% of a class of applicant's equity securities
 - An officer, director, partner, or individual with similar status of applicant, described in Schedule A Item 2a, Schedule B Item 2, or Schedule C Item 2
 - A member of the applicant's investment committee that determines general investment advice to be given to clients
 - If applicant has no investment committee, an individual who determines general investment advice (if more than five, complete for their supervisors only)
 - An individual giving investment advice on behalf of the applicant in the jurisdiction in which this application is filed
 - An individual reporting a 'yes' answer to the disciplinary question, Part I Item 11

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 3).

FORM ADV
Part I - Page 5

Applicant:	SEC File Number:	Date:
	801-	

13. Does applicant have custody (see definition in instructions) of any advisory client:
- | | | |
|---------------------|------------------------------|-----------------------------|
| A. funds | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| B. securities | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- C. If either answer is yes, the value of those funds and securities at the end of applicant's last fiscal year was:
- | | |
|---|---|
| (1) <input type="checkbox"/> under \$100,000 | (3) <input type="checkbox"/> \$1,000,001 to \$5,000,000 |
| (2) <input type="checkbox"/> \$100,000 to \$1,000,000 | (4) <input type="checkbox"/> Over \$5,000,000 |

14. Do any of applicant's related persons have custody (see definition in instructions) of any advisory client:
- | | | |
|---------------------|------------------------------|-----------------------------|
| A. funds | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| B. securities | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- If either is yes:
- C. is that person a registered broker-dealer qualified to take custody under Section 15 of the Securities Exchange Act of 1934?
- Yes No
- D. the value of those funds and securities at the end of applicant's last fiscal year was:
- | | |
|---|---|
| (1) <input type="checkbox"/> under \$100,000 | (3) <input type="checkbox"/> \$1,000,001 to \$5,000,000 |
| (2) <input type="checkbox"/> \$100,000 to \$1,000,000 | (4) <input type="checkbox"/> Over \$5,000,000 |

15. Does applicant require prepayment of fees of more than \$500 per client and more than 6 months in advance?

Yes No

16. With a few exceptions, the "brochure rule" (Advisers Act Rule 204-3) requires that clients must be given information about the investment adviser. Will applicant be giving clients:
- | | | |
|---|------------------------------|-----------------------------|
| A. Part II of this Form ADV? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| B. Another document that includes at least the information contained in Form ADV Part II? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

17. A. The number of employees of applicant who perform investment advisory functions (including research, but excluding unrelated functions such as accounting) is: (check only one box)
- | | |
|--|---|
| (1) <input type="checkbox"/> 1 person, part time | (3) <input type="checkbox"/> 2-9 persons |
| (2) <input type="checkbox"/> 1 person primarily involved in providing investment advisory services | (4) <input type="checkbox"/> 10 or more persons |
- B. The number of clients to whom applicant provided advisory services during the last fiscal year was:
- | | |
|--|---|
| (1) <input type="checkbox"/> 14 or fewer | (4) <input type="checkbox"/> 101 to 500 |
| (2) <input type="checkbox"/> 15 to 50 | (5) <input type="checkbox"/> over 500 |
| (3) <input type="checkbox"/> 51 to 100 | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 3).

FORM ADV
Part I - Page 6

Applicant: _____ SEC File Number: _____ Date: _____
801- _____

18. Does applicant manage client securities portfolios on a discretionary basis? Yes No
If yes, at the end of applicant's last fiscal year these accounts:
A. numbered _____ B. totaled in aggregate market value, rounded to nearest thousand \$ _____ 000.00

19. Does applicant manage or supervise client securities portfolios on a non-discretionary basis? Yes No
If yes, at the end of applicant's last fiscal year these accounts:
A. numbered _____ B. totaled in aggregate market value, rounded to nearest thousand \$ _____ 000.00

20. Does applicant hold itself out as providing financial planning or some similarly termed services to clients? Yes No
If yes, during the last fiscal year applicant provided financial planning services to clients:
A. who numbered:
(1) 14 or fewer (4) 101 to 500
(2) 15 to 50 (5) over 500
(3) 51 to 100
B. whose investments in financial products based on those services totaled:
(1) under \$100,000 (3) \$1,000,001 to \$5,000,000
(2) \$100,000 to \$1,000,000 (4) over \$5,000,000

21. Did applicant recommend securities to clients during its last fiscal year in which the applicant acted (itself or through a related person) as an underwriter, general or managing partner, or officer representative, or had any ownership or sales interest (other than the receipt of normal and customary sales commissions as a broker or brokers representative)? Yes No
If yes, the approximate value of securities so recommended during its last fiscal year is:
A. Under \$50,000 C. \$250,001 to \$1,000,000
B. \$50,000 to \$250,000 D. over \$1,000,000

22. Attach to this Form any financial statements required by the jurisdiction in which applicant is filing, other than the balance sheet required by Part II Item 14.

FORM ADV
Part II - Page 1
Uniform Application for Investment Adviser Registration

OMB APPROVAL
OMB No.: 3235-0049
Expires: June 30, 1988

Name of Investment Adviser: _____
Address: (Number and Street) (City) State (Zip Code) Area Code: Telephone Number: _____

This part of Form ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any governmental authority.

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

State Corporation Commission

FORM ADV Applicant: _____ SEC File Number: 801- _____ Date: _____
Part II: Page 3

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

A. Equity Securities H. United States government securities

(1) exchange-listed securities

(2) securities traded over-the-counter

(3) foreign issuers

I. Options contracts on:

(1) securities

(2) commodities

B. Warrants

C. Corporate debt securities (other than commercial paper)

J. Futures contracts on:

(1) tangibles

(2) intangibles

D. Commercial paper

E. Certificates of deposit

F. Municipal securities

G. Investment company securities:

(1) variable life insurance

(2) variable annuities

(3) mutual fund shares

K. Interests in partnerships investing in:

(1) real estate

(2) oil and gas interests

(3) other (explain on Schedule F)

L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

(1) Charting (4) Cyclical

(2) Fundamental (5) Other (explain on Schedule F)

(3) Technical

B. The main sources of information applicant uses include: (check those that apply)

(1) Financial newspapers and magazines (5) Timing services

(2) Inspections of corporate activities (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission

(3) Research materials prepared by others (7) Company press releases

(4) Corporate rating services (8) Other (explain on Schedule F)

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

(1) Long term purchases (securities held at least a year) (5) Margin transactions

(2) Short term purchases (securities sold within a year) (6) Option writing, including covered options, uncovered options or spreading strategies

(3) Trading (securities sold within 30 days) (7) Other (explain on Schedule F)

(4) Short sales

Answer all items. Complete amended pages in full, check amended items and file with application when filed.

FORM ADV Applicant: _____ SEC File Number: 801- _____ Date: _____
Part II: Page 2

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

(1) Provides investment supervisory services %

(2) Manages investment advisory accounts not involving investment supervisory services %

(3) Furnishes investment advice through consultations not included in either service described above %

(4) Issues periodic reports about securities by subscription %

(5) Issues special reports about securities not included in any service described above %

(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities %

(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities %

(8) Provides a timing service %

(9) Furnishes advice about securities in any manner not described above %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above (financial planning or some similar term)? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

(1) A percentage of assets under management (4) Subscription fees

(2) Hourly charges (5) Commissions

(3) Fixed fees (not including subscription fees) (6) Other

D. For each checked box in A. above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients — Applicant generally provides investment advice to: (check those that apply)

A. Individuals E. Trusts, estates, or charitable organizations

B. Banks or thrift institutions F. Corporations or business entities other than those listed above

C. Investment companies G. Other (describe on Schedule F)

D. Pension and profit sharing plans

Answer all items. Complete amended pages in full, check amended items and file with application when filed.

FORM ADV Part II - Page 5	Applicant: _____	SEC File Number: _____	Date: _____
<p>9. Participation or Interest in Client Transactions. Applicant or a related person: (check those that apply)</p> <p><input type="checkbox"/> A. As principal, buys securities for itself from or sells securities it owns to any client.</p> <p><input type="checkbox"/> B. As broker or agent effects securities transactions for compensation for any client.</p> <p><input type="checkbox"/> C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.</p> <p><input type="checkbox"/> D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.</p> <p><input type="checkbox"/> E. Buys or sells for itself securities that it also recommends to clients.</p> (For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)			
<p>10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account: _____</p> <p style="text-align: center;">(If yes, describe on Schedule F.)</p>			
<p>11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:</p> <p>A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.</p> <p style="text-align: right;">B. Describe below the nature and frequency of regular reports to clients on their accounts.</p>			

Answer all items. Complete amended pages in full, circle amended items and file with execution copy (page 1).

FORM ADV Part II - Page 4	Applicant: _____	SEC File Number: _____	Date: _____
<p>5. Education and Business Standards. Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? _____</p> <p style="text-align: center;">(If yes, describe these standards on Schedule F.)</p>			
<p>6. Education and Business Background.</p> <p>For:</p> <ul style="list-style-type: none"> • each member of the investment committee or group that determines general investment advice to be given to clients, or • if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors) • each principal executive officer of applicant or each person with similar status or performing similar functions. On Schedule F, give their: <ul style="list-style-type: none"> • name • year of birth • formal education after high school • business background for the preceding five years 			
<p>7. Other Business Activities. (check those that apply)</p> <p><input type="checkbox"/> A. Applicant is actively engaged in a business other than giving investment advice.</p> <p><input type="checkbox"/> B. Applicant sells products or services other than investment advice to clients.</p> <p><input type="checkbox"/> C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.</p> (For each checked box describe the other activities, including the time spent on them, on Schedule F.)			
<p>8. Other Financial Industry Activities or Affiliations. (check those that apply)</p> <p><input type="checkbox"/> A. Applicant is registered (or has an application pending) as a securities broker-dealer.</p> <p><input type="checkbox"/> B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.</p> <p><input type="checkbox"/> C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:</p> <ul style="list-style-type: none"> (1) broker-dealer _____ (2) investment company _____ (3) other investment adviser _____ (4) financial planning firm _____ (5) commodity pool operator, commodity trading adviser or futures commission merchant _____ (6) banking or thrift institution _____ (7) accounting firm _____ (8) law firm _____ (9) insurance company or agency _____ (10) pension consultant _____ (11) real estate broker or dealer _____ (12) entity that creates or packages limited partnerships _____ (For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.) <p><input type="checkbox"/> D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? _____</p> <p style="text-align: center;">(If yes, describe on Schedule F the partnerships and what they invest in.)</p>			

Answer all items. Complete amended pages in full, circle amended items and file with execution copy (page 1).

<p>Schedule F of Form ADV Continuation Sheet for Form ADV Part II</p> <p>(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)</p> <p>I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:</p>	<p>Applicant:</p>	<p>SEC File Number: 801-</p>	<p>Date:</p>	
<p>Item of Form (identify)</p>	<p>Answer</p>			

Complete amended page in full, circle amended items and file with execution page (page 1).

<p>Schedule E of Form ADV Continuation Sheet for Form ADV Part I</p> <p>(Do not use this Schedule as a continuation sheet for Form ADV Part II or any other schedules.)</p> <p>I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:</p>	<p>Applicant:</p>	<p>SEC File Number: 801-</p>	<p>Date:</p>	
<p>Item of Form (identify)</p>	<p>Answer</p>			

Complete amended page in full, circle amended items and file with execution page (page 1).

TO: State Corporation Commission of Virginia
 Division of Securities and Retail Franchising
 P. O. Box 1197
 Richmond, Virginia 23209

AGREEMENT FOR INSPECTION OF RECORDS

Schedule G of Form ADV Balance Sheet	Applicant:	SEC File Number:	Date:
		801-	

(Answers in Response to Item 4 of Form ADV-S, or Form ADV Part II Item 14.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident. No.:
Instructions	
1. The balance sheet must be:	
A. Prepared in accordance with generally accepted accounting principles	
B. Audited by an independent public accountant	
C. Accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.	
2. Securities included at cost should show their market or fair value parenthetically.	
3. Qualifications and any accompanying independent accountant's report must conform to Article 2 of Regulation S-X (17 CFR 210.2-01 et seq.).	
4. Sole proprietor investment advisers:	
A. Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilities	
B. May aggregate other business and personal assets and liabilities unless there is an asset deficiency in the total financial position.	

(Name of Investment Advisor)
 (hereinafter "Applicant") hereby agrees and represents as a condition of granting application for registration as an investment advisor under the Virginia Securities Act:

I.

(A) That all of Applicant's records, immediately upon the request of the Commission, will be made available for inspection by the Commission and reproduction for the Commission in the office where such records are maintained;

(B) That all of Applicant's records (or legible copies of same, or print-outs of same, if automated) pertaining to the investment advisory business any part of which occurred or is to occur within the Commonwealth of Virginia will be made available for inspection by the Commission in the office of the Commission's Division of Securities and Retail Franchising within 48 hours after request of the Commission for same;

(C) That the term "records" shall mean and include all books, papers, documents, tapes, films, photographs or other materials, regardless of physical form or characteristics, (1) that are maintained for the recordation or storage of information prepared, used or to be used in connection with the investment advisory business or (2) that were used or are to be used in connection with the investment advisory business; and

(D) That the address at which the records are maintained is _____, and that if this address changes, then the Applicant immediately will give written notification to the Commission of the correct address.

II.

The Applicant understands:

(A) That failure to comply with the terms of part I of this Agreement may be considered grounds for the institution of a proceeding to revoke an investment advisor's registration.

(B) That any investment advisor subject to an investigation made by the Commission may be required to pay the actual costs of the investigation including \$20 per day for the time of the investigator.

 (Name of Investment Advisor)

By: _____
 (Signature)

 (Typed or Printed Name of Signer)

 (Title)

 (Date)

Complete amended pages in full, circle amended items and file with exemption upon filing.

Effective date: July 2, 1987

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
DIVISION OF SECURITIES AND RETAIL FRANCHISING

INVESTMENT ADVISOR'S SURETY BOND

_____ of _____ as principal, and _____ a corporation organized and existing under the laws of the State of the Commonwealth of Virginia, and authorized to write bonds in the Commonwealth of Virginia, as Surety, are held and firmly bound unto the COMMONWEALTH OF VIRGINIA in the penal sum of \$_____ 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 CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

Whereas, the said Principal has applied to the State Corporation Commission of the Commonwealth of Virginia for registration (or renewal of registration) as an investment advisor pursuant to the Securities Act (Chapter 5, Title 13.1, Code of Virginia (1950), as amended) and, in accordance with Section 13.1-505 thereof, the State Corporation Commission has conditioned registration (or renewal of registration) upon the Principal filing a surety bond;

Therefore, the conditions of this obligation are such that if the Principal, in connection with his investment advisory business transacted in Virginia, discharges all obligations imposed on him as an investment advisor registered under the Securities Act, accounts for all money and securities coming into his hands for the use of his clients, fully performs all investment advisory contracts to which he is a party, and satisfies all civil penalties provided in the Securities Act for which said Principal may become liable, 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 of registration; and in no event shall the Surety's aggregate liability hereunder for all losses exceed the penal sum of \$_____.

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 Principal and to the State Corporation Commission of the Commonwealth of Virginia, of its desire to be released.

Effective date: July 2, 1987

(SEAL OF PRINCIPAL)

(SEAL OF SURETY)

Countersigned by

(Name of Agency)

(Resident Virginia Agent)

Date _____

(Principal)

By _____
(If Principal is Partnership or Corporation)

Title _____

(Surety)

By _____
(Officer or Attorney-in-Fact)

GOVERNOR

GOVERNOR'S COMMENTS ON PROPOSED REGULATIONS

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

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

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

Governor's comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
July 23, 1987

DEPARTMENT OF LABOR AND INDUSTRY

Title of Regulation: VR 425-01-28. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia: Standards of Apprenticeship Programs - Numeric Ratio of Apprentices to Journeymen (IV.B.14).

Office of the Governor

August 4, 1987

Ms. Carol Amato
Commissioner
Department of Labor and Industry
205 North Fourth Street
Richmond, Virginia 23219

Reference is made herein to the above captioned regulation amending the numeric ratio of apprentices to journeymen as adopted by the Virginia Apprenticeship Council on June 4, 1987.

I have reviewed the regulation as adopted and found that substantial changes have been made to the proposed regulation.

Therefore, pursuant to the provisions of § 9-6.14:7.1(c) of the Code of Virginia, I hereby suspend the regulatory process for thirty days and ask that you solicit additional public comment on the proposed regulation.

/s/ Gerald L. Baliles
Governor

VIRGINIA REAL ESTATE BOARD

Title of Regulation: VR 585-01-1. Virginia Real Estate Board Licensing Regulations.

Governor's comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
July 19, 1987

* * * * *

Title of Regulation: VR 585-01-2. Condominium Regulations.

Governor's comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
July 15, 1987

* * * * *

Title of Regulation: VR 585-01-3. Time-Share Regulations.

Governor's comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
July 19, 1987

DEPARTMENT OF WASTE MANAGEMENT

Title of Regulation: VR 672-20-1. Financial Assurance Regulations for Solid Waste Facilities.

Governor's comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
July 23, 1987

GENERAL NOTICES/ERRATA

Symbol Key †

† Indicates entries since last publication of the Virginia Register

DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

Notice of Intended Regulatory Action

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

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

Written comments may be submitted until August 17, 1987.

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

VIRGINIA BOARD OF COSMETOLOGY

Notice of Intended Regulatory Action

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

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

Written comments may be submitted until August 20, 1987.

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

VIRGINIA FIRE SERVICES BOARD

Notice of Intended Regulatory Action

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

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

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

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

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

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Medical Assistance Services intends to consider promulgating regulations entitled: **Standards for Coverage of Organ Transplants.** The purpose of the proposed regulations is to establish standards for the coverage of organ transplantation procedures. Copy of the regulation is available from Victoria P. Simmons.

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

Written comments may be submitted until September 4, 1987.

Contact: Stephen B. Riggs, D.D.S., Director, Division of Health Services Review, Department of Medical Assistance

General Notices/Errata

Services, 600 E. Broad St., Suite 1300, Richmond, Va.
23219, telephone (804) 786-3820

DEPARTMENT OF MINES, MINERALS AND ENERGY

Notice of Intended Regulatory Action

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

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

Written comments may be submitted until September 1, 1987.

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

Notice of Intended Regulatory Action

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

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

Written comments may be submitted until September 1, 1987.

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

VIRGINIA BOARD OF PSYCHOLOGY

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of

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

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

Written comments may be submitted until September 7, 1987.

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

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Social Services intends to consider amending regulations entitled: **Aid to Dependent Children Emergency Assistance**. The purpose of the proposed amendments is to provide assistance in cases of eviction or threatened eviction, emergencies resulting from loss of employment, and victims of spouse abuse in shelters. An additional expansion is being considered to assist the homeless and those at risk of becoming homeless.

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

Written comments may be submitted until September 16, 1987, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699.

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

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 existing regulations entitled: **Regulations for Criminal Record Check, Licensed Child Care Centers and Child Caring**

Institutions to be amended to: **Regulation for Criminal Record Checks.** This regulation will provide guidelines and clarification for the implementation of HB 1171, HB 1188, HB 1189 and HB 1190 which expand the scope of child care worker screening procedures to include applying criminal record checks to additional types of licensed facilities for children.

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

Written comments may be submitted until August 24, 1987.

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

STATE WATER CONTROL BOARD

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the State Water Control Board intends to consider promulgating regulations entitled: **Underground Storage Tank Regulations.** The purpose of the regulations will be to establish minimum financial responsibility requirements for all owners and operators of underground storage tanks. Further, the regulations will set up the framework for administering the fund. Finally, the regulations will set forth those requirements necessary, including environmental protection rules and regulations, for the board to implement an underground storage tank program in Virginia in accordance with the new laws.

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

Written comments may be submitted until September 15, 1987.

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

GENERAL NOTICES

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Legal Notice

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

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

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

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

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

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

DEPARTMENT OF LABOR AND INDUSTRY

General Notice

Pursuant to the provisions of § 9-6.14:7.1(c) of the Code of Virginia, the regulatory process has been suspended by the Governor for 30 days on proposed final regulation VR 425-01-28, Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia, IV, B, (14) Numeric Ratio of Apprentices to Journeymen. The Governor has asked that this agency solicit additional comment on this proposed final regulation.

Written comments are solicited until October 1, 1987 addressed to Robert S. Baumgardner, Director of Apprenticeship, Department of Labor and Industry, P. O. Box 12064, Richmond, Virginia 23241.

General Notices/Errata

NOTICES TO STATE AGENCIES

RE: Forms for filing material on dates for publication in the Virginia Register of Regulations.

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

FORMS:

PROPOSED (Transmittal Sheet) - RR01
FINAL (Transmittal Sheet) - RR02
NOTICE OF MEETING - RR03
NOTICE OF INTENDED REGULATORY ACTION - RR04
NOTICE OF COMMENT PERIOD - RR05
AGENCY RESPONSE TO LEGISLATIVE OR GUBERNATORIAL OBJECTIONS - RR06

ERRATA

DEPARTMENT OF EDUCATION (STATE BOARD OF)

Title of Regulation: VR 270-01-0011. Vocational Education Regulations.

Publication: VA.R. 3:21, p. 2488, July 20, 1987

Correction: The effective date was incorrectly printed as July 30, 1987. The correct effective date is August 19, 1987.

CALENDAR OF EVENTS

Symbol Key †

† Indicates entries since last publication of the Virginia Register

NOTICE

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

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

VIRGINIA CODE COMMISSION

EXECUTIVE

STATE BOARD OF ACCOUNTANCY

† October 20, 1987 - 10 a.m. - Public Hearing
Department of Commerce, 3600 West Broad Street,
Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Board of Accountancy intends to amend regulations entitled: VR 105-01-2. **Virginia State Board of Accountancy Rules and Regulations.** These rules and regulations govern the profession of certified public accountants. The board is amending § 1.2 of the regulation to facilitate conformance with § 54-1.28:1 of the Code of Virginia.

STATEMENT

Basis, Purpose, Impact and Summary: The State Board of Accountancy proposes to amend its existing regulations governing certified public accountants.

The regulations apply directly to approximately 7,000 certified public accountants and 225 professional corporations offering CPA services in Virginia. Also affected are approximately 1,200 persons applying for certification and licensure per year and approximately 4,000 persons applying per year to sit for the Uniform CPA Examination.

The proposed regulations delete actual fee amounts for CPA examination, CPA reexamination, out-of-state

proctoring fee, CPA license original and renewal, CPA certificate original and maintenance, CPA professional corporation registration and renewal, and certificate by endorsement.

Due to the continuing necessity for the board to comply with § 54-1.28:1 in its financial revenues and expenditures, fees were deleted from the regulation. Unpredictable changes in operating costs, number of applicants, etc., frequently necessitate changing fees to comply with § 54-1.28:1. In removing fees from the regulation, the board can better comply and avoid unnecessary revision to regulations. This measure may actually help keep applicant and licensee costs down by avoiding unnecessary regulatory expense. Fees will be indicated on all applications so no impact should affect the applicant or licensee. All fees will be recorded in the official minutes of the State Board of Accountancy.

Statutory Authority: § 54-1.28(5) of the Code of Virginia.

Written comments may be submitted until October 17, 1987.

Contact: Roberta L. Banning, Assistant Director,
Department of Commerce, 3600 W. Broad St., Richmond,
Va. 23230, telephone (804) 257-8505 (toll-free
1-800-552-3016)

VIRGINIA AGRICULTURAL COUNCIL

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

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

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

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (BOARD OF)

September 28, 1987 - 2 p.m. - Public Hearing
Washington Building, Board Room, 2nd Floor, 1100 Bank

Calendar of Events

Street, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to adopt regulations entitled: **VR 115-02-15. Rules and Regulations for the Registration of Poultry Dealers.** The proposed regulations would require that poultry dealers doing business in Virginia keep records of their transactions as a means of tracing poultry disease to its source. They also would require that poultry dealers maintain a regimen of sanitation in their dealings.

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

Written comments may be submitted until June 30, 1987.

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

* * * * *

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

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to amend regulations entitled: **VR 115-02-12. Health Requirements Governing the Admission of Livestock, Poultry, Companion Animals and Other Animals or Birds Into Virginia.** The proposed amendment to the above-referenced regulation would set health requirements for the admission of South American camelids of the genus *Lama* into Virginia.

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

Written comments may be submitted until June 29, 1987.

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

STATE AIR POLLUTION CONTROL BOARD

† **August 27, 1987 - 7:30 p.m. - Open Meeting**
Cedar Lee Junior High School, Cafeteria, Bealeton, Virginia. ☐

A meeting to receive comments and public testimony on a permit application from Luck Stone Corporation to construct and operate a quarry and a stone

crushing and processing plant in the vicinity of Bealeton, Fauquier County, Virginia.

Contact: Northern Virginia Regional Office, State Air Pollution Control Board, 6320 Augusta Dr., Springfield, Va. 22150, telephone (703) 644-0311

* * * * *

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, Southwest Virginia Regional Office, 121 Russell Road, Abingdon, Virginia

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, Valley of Virginia Region, 5338 Peters Creek Road, Suite A, Roanoke, Virginia

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, Central Virginia Regional Office, 7701-03 Timberlake Road, Lynchburg, Virginia

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, State Capitol Region, 8205 Hermitage Road, Richmond, Virginia

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, Hampton Roads Regional Office, Old Greenbriar Village, 2010 Old Greenbriar Road, Suite A, Chesapeake, Virginia

† **October 19, 1987 - 10 a.m. - Public Hearing**
State Air Pollution Control Board, National Capital Regional Office, Springfield Towers, 6320 Augusta Drive, Suite 502, Springfield, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia and the requirements of § 110(a)(1) of the Federal Clean Air Act that the State Air Pollution Control Board intends to amend regulations entitled: **VR 120-01. Regulations for the Control and Abatement of Air Pollution.** The regulations establish limits for sources of air pollution to the extent necessary to attain and maintain levels of air quality as will protect human health and welfare.

STATEMENT

Subject: Documents incorporated by reference.

Substance: The amendments update the consolidated list of documents incorporated by reference found in Appendix M of the agency's regulations. The list includes the name, reference number and edition for each document. The edition is being updated to reflect the latest available. Also included for each document is the name and address of the organization from whom it may be obtained. The amendments also update the list of NSPS and NESHAPS incorporated by reference found in Rule 5-5 and Rule 6-1

of the agency's regulations.

Purpose: The purpose of the proposed amendments is to change the agency's regulations to provide the latest edition of referenced documents and incorporate newly promulgated federal NSPS and NESHAPS.

Basis: The basis for incorporating documents by reference is § 9-6.18 of the Virginia Register Act.

Issues: The issue is whether the regulation should specify the most current edition of any documents incorporated by reference and whether the agency should obtain delegation of authority to enforce the newly promulgated federal standards.

Statutory Authority: § 10-17.18(b) of the Code of Virginia.

Written comments may be submitted until October 19, 1987, to Director of Program Development, State Air Pollution Control Board, P. O. Box 10089, Richmond, Virginia 23240.

Contact: Nancy S. Saylor, Division of Program Development, State Air Pollution Control Board, P. O. Box 10089, Richmond, Va. 23240, telephone (804) 786-1249

ALCOHOLIC BEVERAGE CONTROL BOARD

† November 19, 1987 - 10 a.m. - Public Hearing
2901 Hermitage Road, 1st Floor Hearing Room, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Alcoholic Beverage Control Board intends to adopt and amend regulations concerning the possession, sale, distribution and consumption of alcoholic beverages. The proposed amendments will affect the following six categories:

Procedural Rules for the Conduct of Hearings Before the Commission and its Hearing Officers and the Adoption or Amendment of Regulations (VR 125-01-1);

Advertising (VR 125-01-2);

Tied-House (VR 125-01-3);

Requirements for Product Approval (VR 125-01-4);

Retail Operators (VR 125-01-5);

Manufacturers and Wholesalers Operators (VR 125-01-6).

Title of Regulation: VR 125-01-1. Procedural Rules for the Conduct of Hearings Before the Board and its Hearing

Officers and the Adoption or Amendment of Regulations.

**PART III.
Wine and Beer Franchise Acts.**

§ 3.5. Discovery, prehearing procedures.

Summary: The proposed amendment is to provide an adequate discovery process. The board may issue subpoenas for the production of documents, attendance of witnesses, requests for admissions, interrogatories, depositions and other forms of discovery.

Basis: This amendment is proposed under the authority contained in §§ 4-7(j), (k) and (l), 4-10, 4-11(a), Chapter 2.1 (4-118.3 et seq.), Chapter 2.2 (4-118.21 et seq.) of Title 4 and Chapter 1.1:1 (9-6.14:1 et seq.) of Title 9 of the Code of Virginia.

Purpose: To provide for discovery in Wine and Beer Franchise cases as provided in changes to §§ 4-118.11 and 4-118.31 of the Code of Virginia, at the 1987 General Assembly.

Issue: Does this regulation comply with the procedural change mandated by statutory amendment passed by the 1987 General Assembly?

Substance: Rules of the Procedure for discovery. The proposed amendment parallels the Virginia Supreme Court Rules of Discovery.

Impact: These provisions should have a minimal impact on the board in that most discovery proceedings will involve only the litigants and their counsel.

Title of Regulation: VR 125-01-2. Advertising.

§ 1. Advertising generally; cooperative advertising; federal laws; beverages and cider; exceptions; restrictions.

Basis: This amendment is proposed under the authority contained in §§ 4-7(l), 4-11(a), 4-69, 4-98.10(w), 4-98.14 and 4-103(b) and (c) of the Code of Virginia.

Purpose: To permit the alcoholic beverage industry to use athletes or athletic teams in their advertising.

Issue: Will the removal of this proscription encourage impressionable persons under the legal drinking age to purchase or consume alcoholic beverages?

Substances: Delete a portion of § 1.F.3 to permit using present and former athletes on athletic teams to advertise alcoholic beverages.

Impact: It will allow the alcoholic beverage industry to engage in additional advertising. It is presently unpredictable how this will affect youths, who will see

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some of their favorite athletes advertising these alcoholic beverages.

§ 2. Advertising; interior; retail licensees; show windows.

Basis: The amendments are proposed under the authority contained in §§ 4-7(1), 4-11(a); 4-60(i), 4-69, 4-69.2, 4-98.10(w) and 4-98.14 of the Code of Virginia.

Purpose: 1. To allow posters and other printed paper materials, which refer to alcoholic beverage brands or manufacturers, to be used as interior advertising by retailers as long as these materials are not obtained from manufacturers, wholesalers or bottlers of alcoholic beverages.

2. The second amendment would provide another means for the public to enter and participate in contests and sweepstakes.

Issue: 1. Should retailers be permitted to advertise brands of alcoholic beverages in the interior of their establishments, provided such advertising is paid for by the retailer and is limited to printed paper materials?

2. Should the board permit this additional point-of-sale material in retail outlets, which is currently permitted in the print media?

§ 6. Advertising; novelties and specialties.

Basis: The amendment is proposed under the authority contained in §§ 4-7(1), 4-11(a), 4-69, 4-98.10(w) and 4-98.14 of the Code of Virginia.

Purpose: To provide the general public with another means, other than the print media, to obtain novelty and specialty items from suppliers.

Issue: Should brand identified novelty and specialty items be made more readily available to the public?

Substance: Permit wholesalers to put order blanks on cut case cards at the point-of-sale for novelty and specialty items.

Impact: There may be a slight cost of enforcement making sure retailers consented to the placing of order blanks on cut case cards and that the order blanks were offered to all retail licensees equally. The implementation will cause an additional cost to those wholesalers who desire to attach such order blanks, but it will not affect the agency.

§ 9. Advertising; coupons.

Basis: The amendment is proposed under the authority contained in §§ 4-7(1), 4-11(a), 4-69, 4-98.10(w), 4-98.14 and 4-103(b) and (c) of the Code of Virginia.

Purpose: To define "normal retail price."

Issue: Will the definition and example of "normal retail price" provided by the board conflict with federal law?

Substance: To define "normal retail price."

Impact: This will have an insignificant impact on the agency. It will provide industry with guidance in determining whether coupons comply with the restrictions that refunds may not exceed 50% of the "normal retail price."

§ 10. Advertising; sponsorship of public events; restrictions and conditions.

Basis: The amendment is proposed under the authority contained in §§ 4-7(1), 4-11(a) and 4-69 of the Code of Virginia.

Purpose: 1. Deregulation of restriction governing the duration for which a public event could be sponsored.

2. The amendment will permit wineries and distilleries to sponsor those events presently sponsored by manufacturers of beer. In addition, the distilleries, wineries and breweries will be allowed to sponsor cultural events. However, they will not be permitted to sponsor college events.

Issues: 1. Should manufacturers and wholesalers of alcoholic beverages be permitted to sponsor public events without time restrictions?

2. Should all manufacturers of alcoholic beverages be allowed to sponsor the same types of public events?

Substance: Remove the limit on duration for which an event may be sponsored. Allow wineries and distilleries to sponsor all the events presently sponsored by breweries as well as cultural events.

Impact: Allowing the distilleries, wineries and breweries to engage in sponsoring these activities will require the board to approve and observe these additional events.

* * * * *

Title of Regulation: VR 125-01-3. Tied-House.

§ 9. Inducement to retailers; tapping equipment; bottle or can openers; banquet licenses; cut case cards; clip-ons and table tents.

Basis: This amendment is proposed under the authority contained in §§ 4-7(1), 4-11(a), 4-69.2, 4-79(f) and (h) and 4-98.14 of the Code of Virginia.

Purpose: 1. To permit cut case cards to be three-dimensional.

2. The second amendment permits beer manufacturers and wholesalers to furnish retail licensees beer table tents and clip-ons, and is proposed to comply with changes in § 4-79

of the Code of Virginia, as amended at the 1987 session of the General Assembly.

Issues: 1. Should manufacturers, bottlers or wholesalers of beer or wine be permitted to furnish retailers with interior advertising of a more substantial nature?

2. Should beer manufacturers and wholesalers, like their wine counterparts, be permitted to provide beer table tents and clip-ons for retailers.

Substance: 1. Amend subsection F to permit the use of three-dimensional cut case cards.

2. Amend subsection G to permit beer wholesalers, bottlers, and manufacturers to provide table tents and clip-ons for beer retailers.

Impact: This deregulation will have an insignificant impact on the agency.

* * * * *

Title of Regulation: VR 125-01-4. Requirements for Product Approval.

§ 2. Wines; qualifying procedures; disqualifying factors; samples; exceptions.

Basis: The amendment is proposed under the authority contained in §§ 4-7(h) and (l), and 4-11(a) of the Code of Virginia.

Purpose: The board will approve wines containing fruit juice, artificial coloring and sangeria-type wines. To remove a restriction which is more stringent than federal law and, thus removing this undue burden placed on the manufacturer.

Issues: 1. Would the rescission of this subsection remove an undue burden placed on manufacturers, since the utilization of fruit juices and artificial coloring have already been approved by the appropriate federal agency?

2. Does the current trend require permitting these types of wines?

Substance: Delete subsection B.2, thus, permitting the use of fruit juices or artificial coloring in wines.

Impact: This deregulation will have a positive impact on the board for it will no longer need to enforce this restriction.

* * * * *

Title of Regulation: VR 125-01-5. Retail Operations.

§ 1. Restrictions upon sale and consumption of alcoholic beverages and beverages.

Basis: The amendment is proposed under the authority contained in §§ 4-7(l), 4-11(a), 4-37(a)(l)(j), 4-62, 4-103(b) and 4-112 of the Code of Virginia.

Purpose: To conform with the statutory provisions, effective July 1, 1987, raising the legal drinking age to 21 for all alcoholic beverages.

Issues: Will this alleviate the present confusion regarding the legal age for purchasing and consuming beer, since one will no longer need to be concerned about when the purchaser attained the age of 19 years?

Substance: Delete the exception to the prohibition against selling alcoholic beverages to persons under the age of 21 years. Therefore, making the 21 year age limit applicable to the purchase and consumption of all alcoholic beverages.

Impact: The board will no longer need to be concerned about when the purchaser attained the age of 19 years. This should make identification examinations a little easier for agents and retailers.

§ 2. Determination of legal age of purchaser.

Basis: The amendment is proposed under the authority contained in §§ 4-7(l), 4-11(a), 4-62, 4-98.14 and 4-103(b) of the Code of Virginia.

Purpose: To clarify types of identification issued by the Virginia Department of Motor Vehicles accepted as proof of legal age to purchase alcoholic beverages.

Issues: Will this clarify for licensees of the board what constitutes bona fide evidence of legal drinking age?

Substance: Amend regulation by deleting any independent reference to "Virginia's operator's license" and substituting "Department of Motor Vehicles" for the "Virginia Division of Motor Vehicles."

Impact: Will aid the board in determining what constitutes adequate proof of age, especially with respect to individuals who do not have an operator's license, but are of the legal age to purchase alcoholic beverages.

§ 10. Definitions and qualifications for retail off-premises wine and beer licenses and off-premises beer licenses; exceptions; further conditions; temporary licenses.

Basis: The amendment is proposed under the authority contained in §§ 4-7(l), 4-11(a), 4-25(jl) and 4-31(a) of the Code of Virginia.

Purpose: To reduce the monetary qualifications for monthly sales and inventory from \$2,000 to \$750.

Issue: Should the board lower the qualifications for a specialty shop classification with respect to the inventory and sales of the required cheese and gourmet foods?

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Substance: Amend subsection A.5 by reducing monthly sales and inventory from \$2,000 to \$750.

Impact: This will have an insignificant impact on the board. However, it will greatly assist specialty shops to meet their food sales requirement in order to maintain their ABC licenses.

§ 11. Definitions and qualifications for retail on-premises and on-and-off premises licenses generally; mixed beverage licensee requirements; exceptions; temporary licenses.

Basis: This amendment is proposed under the authority contained in §§ 4-2(8), 4-7(l), 4-11(a), 4-25, 4-98.2 and 4-98.14 of the Code of Virginia.

Purpose: This amendment would clarify the definition of designated room to incorporate the current interpretation of "room."

Issue: Should the board expand the privileges of the license in rooms or other areas?

Substance: Defining designated room as a room "or area" to be approved by the board would expand the locations in which a licensee could exercise the privileges of his license.

Impact: Retail licensees would be able to exercise the privileges of their licenses in additional areas subject to the board's approval.

§ 18. Volunteer fire departments or volunteer rescue squads - banquet facility licenses.

Basis: This regulation is proposed under the authority contained in §§ 4-7(l), 4-11(a), 4-25(pl) and 4-103(b) of the Code of Virginia.

Purpose: This regulation clarifies and sets forth conditions by the board for the locations to be used for functions under the fire department or rescue squad's control while the privileges of the license are being exercised as provided by a change in § 4-25(pl) of the Code of Virginia.

Issue: This regulation complies with statutory changes and provides guidance and clarification.

Substance: The board may grant banquet facility licenses to volunteer fire departments and volunteer rescue squads on premises, other than their stations, which are under the control of the volunteer fire departments or volunteer rescue squads.

Impact: The impact on the agency at this time is unknown.

* * * * *

Title of Regulation: VR 125-01-6. Manufacturers and

Wholesalers Operators.

§ 2. Wines; purchase orders generally; wholesale wine distributors.

Basis: The amendment is proposed under the authority contained in §§ 4-7(a), (b) and (l), 4-11(a), 4-22.1 and 4-84(b) of the Code of Virginia.

Purpose: The amendment to subsection B.6 will relieve wholesale wine distributors of the economic burden of taking actual physical inventories on a monthly basis.

Issue: Would allowing wholesale wine distributors to eliminate monthly physical inventories be detrimental to collecting state wine tax?

Substance: This amendment which is supported by the Virginia Wine Wholesalers Association would relieve wholesale wine distributors from having to perform monthly physical inventories which are economically burdensome. Instead they would only have to perform quarterly physical inventories.

Impact: There would be an insignificant impact on the agency. The wine wholesalers will save time and money by only having to perform four, rather than 12, physical inventories each year.

Statutory Authority: § 4-11 of the Code of Virginia.

Written comments may be submitted no later than 10 a.m. on November 19, 1987.

Contact: Robert N. Swinson, Secretary, P. O. Box 27491, 2901 Hermitage Rd., Richmond, Va. 23261, telephone (804) 257-0616

VIRGINIA AVIATION BOARD

August 19, 1987 - 10 a.m. - Open Meeting

August 21, 1987 - 9 a.m. - Open Meeting

Jefferson Sheraton Hotel, Franklin and Adams Streets, Richmond, Virginia. ☐

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

August 19, 1987 - Discussion of aviation matters

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

14th Annual Virginia Aviation Conference

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

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

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

STATE BUILDING CODE TECHNICAL REVIEW BOARD

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

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

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

VIRGINIA CAVE BOARD

† September 26, 1987 - 1 p.m. - Open Meeting
Virginia Western Community College, Fishburn Hall, President's Board Room, Roanoke, Virginia. ☒

A regular meeting of the board.

Contact: Dr. Lynn M. Ferguson, Department of Natural Sciences, Longwood College, Farmville, Va. 23901, telephone (804) 392-9353/3560

GOVERNOR'S ADVISORY BOARD ON CHILD ABUSE AND NEGLECT

† September 4, 1987 - 10 a.m. - Open Meeting
Department of Corrections, Division of Adult Institutions, 302 Turner Road, Continental Room, Richmond, Virginia. ☒

A regular quarterly meeting.

Contact: D. Ray Sirry, Division Director, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9081

BOARD OF COMMERCE

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

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

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

VIRGINIA COMMONWEALTH UNIVERSITY

Health Policy Colloquium

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

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

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

STATE BOARD OF CORRECTIONS

September 16, 1987 - 10 a.m. - Open Meeting
Department of Corrections, 4615 West Broad Street, Richmond, Virginia. ☒

Calendar of Events

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

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

VIRGINIA BOARD OF COSMETOLOGY

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

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

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

CRIMINAL JUSTICE SERVICES BOARD

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

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Criminal Justice Services Board intends to adopt regulations entitled: **VR 240-01-2. Rules Relating to Compulsory In-Service Training Standards for Law-Enforcement Officers, Jailors or Custodial Officers, and Officers of the Department of Corrections, Division of Adult Institutions.** The proposed regulations mandate in-service training standards for law-enforcement officers, jailors or custodial officers and officers of the Department of Corrections, and set forth procedures for approved training facilities to follow when conducting such training.

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

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

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

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

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Criminal Justice Services Board intends to adopt new regulations entitled: **VR 240-01-14. Rules Relating to Compulsory Minimum Training Standards for Corrections Officers of the Department of Corrections, Division of Adult Institutions.** Regulations for entry-level training standards for correctional officers of the Department of Corrections, Division of Adult Institutions.

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

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

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

VIRGINIA BOARD OF DENTISTRY

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

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

† **September 16, 1987 - 1 p.m. - Open Meeting**
† **September 17, 1987 - 9 a.m. - Open Meeting**
† **September 18, 1987 - 1 p.m. - Open Meeting**
† **September 19, 1987 - 9 a.m. - Open Meeting**
Marriott Crystal Gateway Hotel, Arlington, Virginia

The Virginia Board of Dentistry will meet to consider board disciplinary actions, finance and other regular business.

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

STATE BOARD OF EDUCATION

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

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

Contact: Margaret N. Roberts, James Monroe Bldg., 101 N. 14th St., 25th Fl., Richmond, Va., telephone (804) 225-2540

DEPARTMENT OF FORESTRY

Reforestation of Timberlands Board

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

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

Contact: James D. Starr, Department of Forestry, P. O. Box 3758, Charlottesville, Va. 23903-0758, telephone (804) 977-6555

VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS

† August 25, 1987 - 3 p.m. - Open Meeting
Koger Building, 8001 Franklin Farms Drive, Suite 121,
Richmond, Virginia

A formal fact-finding hearing and general board meeting. Proposed regulations may be discussed.

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

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

† August 27, 1987 - 8 p.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 1, Richmond, Virginia. ☐

An informal fact-finding conference.

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

BOARD OF GAME AND INLAND FISHERIES

† August 28, 1987 - 9:30 a.m. - Open Meeting
Department of Game and Inland Fisheries, 4010 West Broad Street, Richmond, Virginia. ☐

The board will establish the 1987-88 Migratory Waterfowl hunting seasons in Virginia as prescribed under the U.S. Fish and Wildlife Service framework.

The board will act on proposed regulations relative to hunting with poison arrows; use of rifles for hunting bear and deer; and endangered species.

The board will consider certain fish proposals, including the aquaculture of hybrid striped bass; review the Back Bay restoration project and a procedural report on the State Duck Stamp.

General administrative matters will be discussed also.

Contact: Norma G. Adams, 4010 W. Broad St., Richmond, Va. 23230, telephone (804) 257-1000

DEPARTMENT OF GENERAL SERVICES

Art and Architectural Review Board

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

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

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

State Insurance Advisory Board

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

A quarterly meeting of the board.

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

Calendar of Events

DEPARTMENT OF HEALTH (BOARD OF)

August 28, 1987 - 10 a.m. – Public Hearing
Henrico Government Center, Administration Building Board of Supervisors Room, Parham and Hungary Springs Road, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Health intends to amend regulations entitled: **Rules and Regulations of the Board of Health Governing Restaurants.**

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

Written comments may be submitted until August 28, 1987.

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

COUNCIL ON HEALTH REGULATORY BOARDS

† **August 26, 1987 - 7:30 p.m. – Open Meeting**

† **August 26, 1987 - 9 p.m. – Open Meeting**

† **August 27, 1987 - 3 p.m. – Open Meeting**

Location to be announced.

The following committees of the Council on Health Regulatory Boards will meet in conjunction with the Fourth Annual Conference on Health Professional Regulation in Richmond (location to be announced).

Wednesday, August 26, 1987

7:30 p.m. Regulatory Evaluation and Research Committee

9 p.m. Executive Committee

Thursday, August 27, 1987

3 p.m. Compliance and Discipline Committee

Contact: Richard D. Morrison, Executive Director, Council on Health Regulatory Boards, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9918

VIRGINIA HEALTH SERVICES COST REVIEW COUNCIL

August 26, 1987 - 9:30 a.m. – Open Meeting

September 23, 1987 - 9:30 a.m. – Open Meeting

Johnston-Willis Hospital, 1401 Johnston-Willis Drive, Richmond, Virginia. ☒

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

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

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT

Amusement Device Technical Advisory Committee

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

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

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

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

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

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

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

GOVERNOR'S JOB TRAINING COORDINATING COUNCIL

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

A general meeting open to the public.

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

LAND EVALUATION ADVISORY COUNCIL

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

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

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

STATE BOARD FOR THE CERTIFICATION OF LIBRARIANS

† September 25, 1987 - 1 p.m. - Open Meeting
Department of Commerce, 3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☐

An open board meeting to conduct (i) discussion and adoption of the proposed regulations; (ii) signing of certificates; and (iii) election of officers.

Contact: Geralde W. Morgan, Assistant Director, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230-4917, telephone (804) 257-8508

* * * * *

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

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

Statutory Authority: § 54-268.1 of the Code of Virginia.

Written comments may be submitted until September 20, 1987.

Contact: Geralde W. Morgan, Assistant Director, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230-4917, telephone (804) 257-8508

LIBRARY BOARD

September 9, 1987 - 11 a.m. - Open Meeting
Virginia State Library and Archives, 11th Street at Capitol Square, Supreme Courtroom, 3rd Floor, Richmond, Virginia. ☐

A regular meeting to discuss administrative matters.

Contact: Jean K. Reynolds, Virginia State Library and Archives, 11th St. at Capitol Sq., Richmond, Va. 23219, telephone (804) 786-2332

MARINE RESOURCES COMMISSION

September 1, 1987 - 9:30 a.m. - Open Meeting

The Virginia Marine Resources Commission will meet on the first Tuesday of each month, at 9:30 a.m., in Newport News City Council Chambers, located at 2400 Washington Avenue, Newport News, Virginia. It hears and decides cases on fishing licensing; oyster ground leasing; environmental permits in wetlands, bottomlands, coastal sand dunes and beaches. It hears and decides appeals made on local wetlands board decisions.

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

Contact: Patricia A. Leonard, Acting Secretary to the Commission, 2401 W. Avenue, P. O. Box 756, Newport News, Va. 23607-0756, telephone (804) 247-2206

BOARD OF MEDICAL ASSISTANCE SERVICES

† August 31, 1987 - 2 p.m. - Open Meeting
† September 1, 1987 - 9 a.m. - Open Meeting
600 East Broad Street, 13th Floor, Richmond, Virginia. ☐

An open meeting to discuss (i) State Plan amendments (a) Return on Equity (final); Contiguous Property (final); (b) Nursing Home/Hospital Regulation; (c) Physician Certification (technical); ICF/MR (technical); and (ii) other business pertinent to the board.

Contact: Jacqueline M. Fritz, Department of Medical Assistance Services, 600 E. Broad St., Richmond, Va. 23219, telephone (804) 786-7933

Calendar of Events

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

September 4, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Medical Assistance Services intends to adopt regulations entitled: **Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance.** These regulations establish the criteria by which requests for organ transplants will be evaluated for prior authorization. A copy of the regulation is available from Victoria Simmons at 786-7933.

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

Written comments may be submitted until September 4, 1987.

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

COMMISSION ON MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

September 14, 1987 - 10 a.m. - Open Meeting
† October 5, 1987 - 10 a.m. - Open Meeting
† November 9, 1987 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Conference Room D & E, Richmond, Virginia. ☐

By Executive Order 31 (86) Governor Balliles created an advisory commission with two responsibilities: (i) to examine the effectiveness of the Certificate of Public Need program in controlling medical care costs while making good quality, accessible health care available to all Virginians; and (ii) if this examination demonstrates that the Commonwealth's existing health planning process no longer effectively meets these objectives, the commission shall assess alternatives and recommend revisions to the existing Certificate of Public Need process.

Contact: E. George Stone, State Health Department, James Madison Bldg., 109 Governor St., Room 1010, Richmond, Va. 23219, telephone (804) 786-6970

GOVERNOR'S ADVISORY BOARD ON MEDICARE AND MEDICAID

† August 25, 1987 - 2 p.m. - Open Meeting
Richmond Marriott Hotel, 500 East Broad Street, Richmond, Virginia. ☐

An open meeting to discuss (i) 1988 proposed legislation and budget initiatives, (ii) organization/role of the Governor's Advisory Board, and (iii) 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) 786-7933

VIRGINIA STATE BOARD OF MEDICINE

Chiropractic Examination Committee

August 18, 1987 - 11 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, 2nd Floor, Richmond, Virginia. ☐

The committee will meet in open and executive session for the purpose of reviewing and developing chiropractic questions for the January 1988 exam.

Credentials Committee

September 25, 1987 - 8 a.m. - Open Meeting
September 26, 1987 - 8 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 2, 2nd Floor, Richmond, Virginia. ☐

The committee will meet to (i) conduct general business; (ii) interview and review medical credentials of applicants applying for licensure in Virginia in open and executive session; (iii) discuss any other items which may come before this committee.

Informal Conference Committee

August 21, 1987 - 12:30 p.m. - Open Meeting
August 27, 1987 - 11 a.m. - Open Meeting
Department of Health Regulatory Boards, Surry Building, Board Room 2, 1601 Rolling Hills Drive, Richmond, Virginia. ☐

August 28, 1987 - 10 a.m. - Open Meeting
Ramada Inn, I-95 and Route 3, Fredericksburg, Virginia. ☐

September 1, 1987 - 10 a.m. - Open Meeting
Hyatt Richmond Hotel, 6624 West Broad Street and Interstate 64, Richmond, Virginia. ☐

A meeting to inquire into allegations that certain practitioners may have violated laws and regulations governing the practice of medicine in Virginia. The committee will meet in open and closed sessions pursuant to § 2.1-344 of the Code of Virginia.

Contact: Eugenia K. Dorson, Board Administrator, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

VIRGINIA STATE BOARDS OF MEDICINE AND NURSING

† October 19, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance § 9-6.14:7.1 of the Code of Virginia that the Virginia State Boards of Medicine and Nursing intend to promulgate new regulations and repeal existing regulations entitled: VR 465-07-1; VR 495-02-1. **Regulations Governing the Certification of Nurse Practitioners.** The proposed regulations were developed as a part of the comprehensive review of regulations initiated by Governor Charles S. Robb.

STATEMENT

Statement of purpose: The purpose of these regulations is to regulate the practice of Certified Nurse Practitioners by establishing the requirements for their certification and practice and to provide for the Committee of the Joint Boards of Medicine and Nursing (hereinafter the Committee) to administer the regulations. The regulations also establish an advisory committee and fees for certification. In addition, these regulations set the criteria for approval of nurse practitioner education programs and make provisions for disciplinary action against those certified who are found to be in violation of the regulations. The regulations form the basis for the Boards of Medicine and Nursing to fulfill their responsibility to protect the health, safety, and welfare of the citizens of the Commonwealth through the certification of nurse practitioners. The proposed regulations are the result of the comprehensive review of the existing regulations completed in 1985 pursuant to Executive Order 52(84) of former Governor Charles S. Robb.

Estimated impact:

A. Regulated entities.

1. Certified nurse practitioners - 1,460
2. Nurse practitioner education programs
 - a. In Virginia - 5
 - b. In other states - 60

B. Projected costs to regulated entities. Some of the new or modified regulations alter the costs for the regulated entities. The impact is discussed below:

1. § 1.3. Provides for the appointment of and names a committee whose purpose is to administer these

regulations. While there is a cost involved in meetings of the Committee, it will not be an increased cost since such a committee has been functioning for a number of years.

2. § 1.5. Establishes the fees related to the regulation of nurse practitioners. In the 1988-90 biennium, the nurse practitioner program will be separate cost center in the Department of Health Regulatory Boards' budget. Previously, revenues and expenditures have been found in the Board of Nursing cost center. In order to insure that this program is self-sustaining, the change was made. In preparing a proposed budget for the 1988-90 biennium, it was determined that there is a need to increase and add fees as follows:

Application fee from \$25 to \$50.

Biennial renewal of certification from \$20 to \$30.

Add a \$25 fee to verify certification to another jurisdiction

Add a \$10 fee for a duplicate certificate.

Add a \$15 fee for returned checks.

The proposed increases will result in additional \$20,000 for the biennium and assure that the program is self-sustaining.

The fees for the nurse practitioner participation program have not changed since the first regulation became effective in 1975. Costs and salaries have increased substantially in the interim. It is believed that the proposed fee changes will not impose an undue burden on those certified.

3. §§ 2.3.A and 2.6. Provide an alternative to approval by the Committee of nurse practitioner programs by allowing applicants who have completed programs accredited by certain national accrediting agencies to be certified. This provision will reduce expenses of the committee since much of the time in meetings is related to program approval.

4. § 2.3.A.3. Requires applicants for initial certification to submit evidence of certification by a professional body in order to be certified in Virginia. This has been a requirement for certified registered nurse anesthetist practitioners and certified nurse-midwife practitioners. Other nurse practitioners must now meet this requirement. Many new applicants will meet this requirement without additional expense. The cost for those who do not will be approximately \$250. Provision has been made for statutory authority to permit practice pending successful certification by the first writing of an examination. The committee has been advised that the vast majority of newly graduated nurse practitioners seek this professional certification regardless of requirements of these

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regulations. Professional certification will not be required for those persons previously certified under existing regulations.

5. § 2.6.B. Establishes the requirements for reinstatement of a certificate that has been suspended or revoked and makes provision for hearings pursuant to the Administrative Process Act. The cost of a formal hearing before the committee would be approximately \$1,500. This is not a new cost as reinstatement petitions have been processed in accordance with the Administrative Process Act under existing regulations and will not result in increased impact on regulated entities.

6. § 4.1. This section will allow the committee to delegate to the staff the authority to approve nurse practitioner education programs that meet the criteria set forth in Part IV of the regulations. This will result in a savings of money since the committee will have to meet to consider only those programs where there are questions related to whether or not the criteria are met.

7. § 5.2. Sets forth rules for the conduct of hearings on questions of violation of these regulations and makes provision for action against the nurse practitioner certification when the Board of Nursing has taken action against the registered nurse license. Costs related to this section are not new costs.

C. Expected costs to the agency. Implementing and enforcing the new and modified regulations will not increase the operating costs of the boards since they can be implemented under existing programs. Sections 2.3.A.2.b and 4.1 will result in an actual reduction in the boards' operating costs.

D. Source of funds. All funds of the boards are derived from the fees paid by applicants and those individuals who are certified nurse practitioners.

Statutory Authority: § 54-274 of the Code of Virginia.

Written comments may be submitted until October 19, 1987.

Contact: Corinne F. Dorsey, Executive Director, Board of Nursing, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909

STATE MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES BOARD

August 26, 1987 - 10 a.m. - Open Meeting
James Madison Building, Central Office, Richmond, Virginia. ☐

A regular monthly meeting. The agenda may be

obtained after August 19 by calling Jane Helfrich.

Contact: Jane V. Helfrich, State Board Staff, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3921

STATE MILK COMMISSION

† August 19, 1987 - 11 a.m. - Open Meeting
Ninth Street Office Building, Ninth and Grace Streets, Room 1015, Richmond, Virginia. ☐

A routine monthly meeting.

Contact: C. H. Coleman, Administrator, Ninth Street Office Bldg., Room 1015, Richmond, Va. 23219, telephone (804) 786-2013

DEPARTMENT OF MINES, MINERALS AND ENERGY

September 1, 1987 - 10 a.m. - Public Hearing
2201 West Broad Street, Conference Room, Richmond, Virginia. ☐

This meeting is to consider the agency's intention of promulgating new public participation guidelines to ensure the public is given the opportunity to participate in regulatory development. The new guidelines will replace two existing sets of guidelines being used by the agency's regulatory divisions, and will be designed to provide a uniform procedure for the agency. The public is invited to attend the meeting and comment.

Contact: Bill Edwards, Policy Analyst, 2201 W. Broad St., Richmond, Va. 23220, telephone (804) 257-0330

September 1, 1987 - 10 a.m. - Public Hearing
Division of Mined Land Reclamation, 622 Powell Avenue, Upstairs Conference Room, Big Stone Gap, Virginia

The department has scheduled this public meeting to consider amendments to regulations to (i) set reinstatement procedures for individuals or companies who have forfeited coal surface mining bonds, or who have had coal surface mining permits revoked; (ii) correct deficiencies in the rules for enforcement and administrative appeals; (iii) increase protection of historic sites; and (iv) decrease the minimum number of trees required to be planted on steep-slope reclamation sites. The public is invited to attend the meeting and comment on the intended action.

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

Calendar of Events

NORFOLK STATE UNIVERSITY

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Board of Visitors

September 8, 1987 - 10 a.m. - Open Meeting
Harrison B. Wilson Administration Building, Board Room,
Norfolk, Virginia

A meeting to discuss various issues pertaining to the university. The agenda should be available at least five working days prior to the meeting.

Contact: Gerald D. Tyler, Norfolk State University, 2401 Corprew Ave., Wilson Hall-S340, Norfolk, Va. 23504, telephone (804) 623-8373

VIRGINIA STATE BOARD OF NURSING

Informal Conference Committee

August 20, 1987 - 8:30 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 2, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

A meeting to inquire into allegations that certain licensees may have violated laws and regulations governing the practice of nursing in Virginia.

Contact: Corinne F. Dorsey, R.N., Executive Director, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909

STATE BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS

† **September 23, 1987 - 1 p.m. - Open Meeting**
3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☒

An open board meeting to conduct discussion and adoption of the proposed regulations.

† **September 24, 1987 - 9 a.m. - Open Meeting**
3600 West Broad Street, Conference Room 2, Richmond, Virginia. ☒

An open board meeting to conduct (i) examinations; (ii) discussion of revenue and expenditures; (iii) review of applications; (iv) review of the Virginia State Written examination; and (v) signing of certificates.

Contact: Gerald W. Morgan, Administrator, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230-4917, telephone (804) 257-8508

September 23, 1987 - 10 a.m. - Public Hearing
Department of Commerce, 3600 West Broad Street, Room 395, 3rd Floor Auditorium, Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Board of Examiners for Nursing Home Administrators intends to amend regulations entitled: **VR 500-01-2. Rules and Regulations of the State Board of Examiners for Nursing Home Administrators.** This regulation provides general information, entry requirements and standards of practice for licensure as Nursing Home Administrators in the Commonwealth of Virginia.

Statutory Authority: § 54-1.28 (5) of the Code of Virginia.

Written comments may be submitted until September 20, 1987.

Contact: Gerald W. Morgan, Administrator, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230-4917, telephone (804) 257-8508

VIRGINIA BOARD OF OPTOMETRY

October 3, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Board of Optometry intends to amend regulations entitled: **VR 510-01-1. Regulations of the Virginia Board of Optometry.** The regulations proposed to be amended charged a fee for the board's review of continuing education courses.

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

Written comments may be submitted until October 3, 1987.

Contact: Moira C. Lux, Executive Director, Virginia Board of Optometry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9910

ADVISORY BOARD ON PHYSICAL THERAPY

† **September 18, 1987 - 9 a.m. - Open Meeting**
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, 2nd Floor, Richmond, Virginia. ☒

The Advisory Board on Physical Therapy will meet to (i) draft regulations for foreign trained physical therapists and assistants, (ii) make a final review of the application process, (iii) discuss traineeships for

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applicants applying for licensure by endorsement, (iv) study the scope of physical therapy aides and (v) discuss any other items which may come before the Physical Therapy Board.

Contact: Eugenia K. Dorson, Board Administrator, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

BOARD OF COMMISSIONERS TO EXAMINE PILOTS

† **September 24, 1987 - 10 a.m.** – Open Meeting
Hasler and Company, 212 Tazewell Street, Norfolk, Virginia

The board will meet to conduct routine business at its regular quarterly meeting.

Contact: David E. Dick, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8515; or William L. Taylor, 3319 Shore Dr., Virginia Beach, Va. 23451, telephone (804) 496-0995

POLYGRAPH EXAMINERS ADVISORY BOARD

August 26, 1987 - 9 a.m. – Open Meeting
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

The board will meet for the purpose of administering the Polygraph Examiner Licensing Examination to eligible polygraph examiner interns.

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

VIRGINIA BOARD OF PROFESSIONAL COUNSELORS

† **August 26, 1987 - 9 a.m.** – Open Meeting
Koger Building, 8001 Franklin Farms Drive, Richmond, Virginia

A formal hearing.

Contact: Joyce D. Williams, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9912

VIRGINIA BOARD OF PSYCHOLOGY

† **August 19, 1987 - 10 a.m.** – Open Meeting
† **August 20, 1987 - 10 a.m.** – Open Meeting
Pavilion Tower, Virginia Beach, Virginia. ☒

The Board of Psychology Planning Meeting. Two days

to (i) conduct general board business, (ii) discuss regulations, (iii) discuss oral examination process, and (iv) discuss board examinations.

Contact: Phyllis Henderson, Administrative Assistant, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9913

VIRGINIA PUBLIC TELECOMMUNICATIONS BOARD

August 27, 1987 - 10 a.m. – Open Meeting
Department of Information Technology, 110 South 7th Street, 4th Floor, Richmond, Virginia. ☒

A meeting regarding public television and radio issues.

Contact: Suzanne Piland, Department of Information Technology, 110 S. 7th St., 1st Fl., Richmond, Va. 23219, telephone (804) 344-5560

VIRGINIA REAL ESTATE BOARD

August 19, 1987 - 9 a.m.
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

A regular business meeting of the board. The agenda will consist of investigative cases (files) to be considered, files to be reconsidered, matters relating to fair housing, property registration, and licensing issues (e.g., reinstatement, eligibility requests).

Contact: Florence R. Brassier, Assistant Director for Real Estate, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230, telephone (804) 257-8552

DEPARTMENT OF REHABILITATIVE SERVICES

August 18, 1987 - 4 p.m. – Public Hearing
2728 Colonial Avenue, S.W., Roanoke, Virginia. ☒
(Interpreter for deaf provided if requested) 🗣️

August 18, 1987 - 4 p.m. – Public Hearing
7830 Backlick Road, Springfield, Virginia. ☒ (Interpreter for deaf provided if requested) 🗣️

August 18, 1987 - 4 p.m. – Public Hearing
2930 West Broad Street, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) 🗣️

August 18, 1987 - 4 p.m. – Public Hearing
5365 Robin Hood Road, Norfolk, Virginia. ☒ (Interpreter for deaf provided if requested) 🗣️

Public hearings on the 1988 Title I and Title VII

Vocational and Independent Living Rehabilitation State Plan amendments.

† August 28, 1987 - 9:30 a.m. - Open Meeting
4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

A meeting to (i) review policy recommendations, (ii) review committee and department reports, and (iii) conduct the regular business of the board.

Finance Committee

† August 27, 1987 - 1 p.m. - Open Meeting
4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

A meeting to complete draft reports of specific fiscal policies and prepare policy recommendations for consideration by the board.

Legislative and Evaluation Committee

† August 27, 1987 - 1 p.m. - Open Meeting
4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

An organizational meeting to develop legislative initiatives and establish criteria for evaluation of department programs.

Program Committee

† August 27, 1987 - 1 p.m. - Open Meeting
4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

A meeting to consider (i) regulatory impact, (ii) projected amendments to the federal Rehabilitation Act and (iii) proposed bylaws amendments.

Contact: James L. Hunter, 4901 Fitzhugh Ave., Richmond, Va. 23230, telephone (804) 257-6446 (toll-free 1-800-552-5019)

STATE SEWAGE HANDLING AND DISPOSAL APPEALS REVIEW BOARD

August 26, 1987 - 10 a.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. ☒

A meeting to hear and render a decision on all appeals of denials of on-site sewage disposal system permits.

Contact: David D. Effert, James Madison Bldg., 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-1750

† October 14, 1987 - 10 a.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. ☒

A meeting to hear and render a decision on all appeals of denials of on-site sewage disposal system permits.

Contact: Deborah E. Randolph, James Madison Bldg., 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-3559

BOARD OF SOCIAL SERVICES

† August 19, 1987 - 2 p.m. - Open Meeting
† August 20, 1987 - 9 a.m. - Open Meeting
University Hilton, 2350 Seminole Trail, Charlottesville, Virginia (Exit 22B off I-64). ☒

A work session and formal business meeting of the board.

Contact: Phyllis Sisk, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9236

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

October 2, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services intends to amend regulations entitled: **VR 615-01-20. Lump Sum Payments in the Aid to Dependent Children (ADC) Program.** These regulations specify types of payments that must be treated as lump sum income and, in regard to casualty property loss payments, provide a temporary disregard of such lump sum payments when received, and used for repair or replacement of resources.

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

Written comments may be submitted until October 2, 1987, to Mr. I. Guy Lusk, Director, Division of Benefit Programs, 8007 Discovery Drive, Richmond, Virginia 23229-8699.

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

Calendar of Events

VIRGINIA BOARD OF SOCIAL WORK

August 25, 1987 - 9 a.m. - Open Meeting
1601 Rolling Hills Drive, Richmond, Virginia

A meeting to conduct a formal hearing before the board.

August 25, 1987 - 1 p.m. - Open Meeting
1601 Rolling Hills Drive, Richmond, Virginia

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

Contact: Beverly Putnam, Administrative Assistant, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9914

VIRGINIA SOIL AND WATER CONSERVATION BOARD

† September 16, 1987 - 7:30 p.m. - Open Meeting
State Lab Building, Route 29, Warrenton, Virginia

A regular bimonthly business meeting.

Contact: Donald L. Wells, 203 Governor St., Suite 206, Richmond, Va. 23219, telephone (804) 786-4356

DEPARTMENT OF TAXATION

September 18, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: **VR 630-10-17. Brackets for Collection of the Tax (Retail Sales and Use Tax)**. This regulation sets forth the bracket chart to be used by all dealers to compute the sales tax on transactions of \$5.00 or less.

Statutory Authority: § 58-1-203 of the Code of Virginia.

Written comments may be submitted until September 18, 1987.

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

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September 18, 1987 - 10 a.m. - Public Hearing

General Assembly Building, Capitol Square, House Room C,

Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: **VR 630-10-31. Dealer's Returns and Collection of the Tax (Retail Sales and Use Tax)**. This regulation sets forth requirements for the filing of sales and use tax returns by registered dealers and explains the discount provided to dealers to compensate them for collection of the tax.

Statutory Authority: § 58-1-203 of the Code of Virginia.

Written comments may be submitted until September 18, 1987.

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

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September 18, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: **VR 630-10-106. Transitional Provisions (Retail Sales and Use Tax)**. This regulation describes the transitional provisions enacted in conjunction with the January 1, 1987 increase in the sales and use tax rate. These provisions apply to certain contracts and leases entered into before the enactment of the rate increase.

Statutory Authority: § 58-1-203 of the Code of Virginia.

Written comments may be submitted until September 18, 1987.

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

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September 18, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: **VR 630-10-110. Vending Machine Sales (Retail Sales and Use Tax)**. This regulation sets forth the application of the sales and use tax to vending machine operators.

Statutory Authority: § 58-1-203 of the Code of Virginia.

Written comments may be submitted until September 18, 1987.

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

COMMONWEALTH TRANSPORTATION BOARD

August 19, 1987 - 1:30 p.m. - Public Hearing
Department of Transportation Auditorium, 1221 East Broad Street, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Commonwealth Transportation Board intends to adopt regulations entitled: **VR 385-01-5. Hazardous Materials Transportation Rules and Regulations at Bridge-Tunnel Facilities.** These regulations set forth the requirements for transporting hazardous materials through tunnels, bridges, and ferries in Virginia.

Statutory Authority: §§ 33.1-12 and 33.1-13 of the Code of Virginia.

Written comments may be submitted until August 19, 1987.

Contact: John L. Butner, Engineering Programs Supervisor, Traffic Engineering Division, 1401 E. Broad St., Richmond, Va. 23219, telephone (804) 786-2878

August 20, 1987 - 10 a.m. - Open Meeting
Kilmarnock Volunteer Fire House, School Street, Kilmarnock, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

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

Contact: Albert W. Coates, Jr., Assistant Commissioner, Department of Transportation, 1401 E. Broad St., Richmond, Va., telephone (804) 786-9950

TREASURY BOARD

August 19, 1987 - 9 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Third Floor, Richmond, Virginia. ☒

A regular monthly meeting.

Contact: Betty A. Ball, Department of Treasury, James Monroe Bldg., 3rd Fl., Richmond, Va. 23219, telephone (804) 225-2142

VIRGINIA BOARD OF VETERINARY MEDICINE

† September 1, 1987 - 8:30 a.m. - Open Meeting
Health Regulatory Boards Building, 1601 Rolling Hills Drive, Richmond, Virginia

A meeting to (i) consider implementation of new regulations; (ii) review disciplinary cases, and (iii) conduct general board business.

Contact: Moira C. Lux, Executive Director, Virginia Board of Veterinary Medicine, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9942

VIRGINIA VOLUNTARY FORMULARY BOARD

August 24, 1987 - 10 a.m. - Public Hearing
James Madison Building, 109 Governor Street, Main Floor Auditorium, Richmond, Virginia. ☒

The Virginia Voluntary Formulary Board will hold a public hearing on this date. The purpose of this hearing is to consider the proposed adoption and issuance of a revised Virginia Voluntary Formulary. The proposed revision to the Virginia Voluntary Formulary adds and deletes drugs and drug products to the Formulary that became effective on June 15, 1987.

Copies of the proposed revisions to the Formulary are available for inspection at the Virginia Department of Health, Bureau of Pharmacy Services, James Madison Building, 109 Governor Street, Richmond, Virginia 23219. Written comments sent to the above address and received prior to 5 p.m. on August 24, 1987 will be made part of the hearing record and considered by the board.

September 3, 1987 - 10:30 a.m. - Open Meeting
Department of Health, James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. ☒

A meeting to review public hearing comments and product data for drug products being considered for inclusion in the Virginia Voluntary Formulary.

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

STATE WATER CONTROL BOARD

August 25, 1987 - 7 p.m. - Public Hearing
Bowling Green Town Hall, 117 Butler Street, Bowling Green, Virginia

Calendar of Events

A public hearing to receive comments on the proposed reissuance of NPDES Permit No. VA0020737 for the Town of Bowling Green's Sewage Treatment Plant, located on Anderson Avenue, Bowling Green, Virginia.

September 28, 1987 - 7:30 p.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. ☐

A formal hearing on Solite Corporation to reissue NPDES Permit No. VA0003468 with the pH mixing zone included and grant other relief as deemed appropriate.

September 29, 1987 - 9 a.m. - Open Meeting
September 30, 1987 - 9 a.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. ☐

A regular quarterly meeting.

October 1, 1987 - 9 a.m. - Open Meeting
Virginia Beach, Virginia (exact location to be determined)

A policy planning session.

Contact: Doneva A. Dalton, State Water Control Board, P. O. Box 11143, 2111 N. Hamilton St., Richmond, Va. 23230, telephone (804) 257-6829

STATE BOARD FOR CERTIFICATION OF OPERATORS OF WATER AND WASTEWATER WORKS

† **August 28, 1987 - 10 a.m. - Open Meeting**
3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☐

An open board meeting to conduct (i) regulatory review; (ii) review of complaints; (iii) discussion of revenue and expenditures; (iv) review of examination results; and (v) election of officers.

Contact: Geralde W. Morgan, Assistant Director, 3600 W. Broad St., Richmond, Va. 23230-4917, telephone (804) 257-8508

LEGISLATIVE

JOINT MEETING OF HOUSE APPROPRIATIONS, HOUSE FINANCE AND SENATE FINANCE COMMITTEES

August 24, 1987 - 9 a.m. - Open Meeting
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☐

Agenda topics include a summary of fiscal year-end revenue collections and a review of the 1988-90 capital outlay budget requests.

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

VIRGINIA CODE COMMISSION

September 1, 1987 - 9:30 a.m. - The Michie Company
September 2, 1987 - 9 a.m. - Open Meeting
Boar's Head Inn, Charlottesville, Virginia

The commission will meet with its publisher, The Michie Company, on Tuesday, September 1.

On Wednesday, September 2, it will complete its work on the revision of Title 54 of the Code of Virginia.

Contact: Joan W. Smith, Registrar of Regulations, General Assembly Bldg., P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

JOINT SUBCOMMITTEE STUDYING CHILD-SUPPORT FORMULAS

† **August 26, 1987 - 10 a.m. - Open Meeting**
† **September 16, 1987 - 2 p.m. - Open Meeting**
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

† **October 7, 1987 - 10 a.m. - Open Meeting**
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☐

The joint subcommittee will continue to study the feasibility of use of formulas or guidelines to set child support awards. HJR 341

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

VIRGINIA COAL AND ENERGY COMMISSION

† **September 2, 1987 - 10 a.m. - Open Meeting**
General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. ☐

The commission will hear a presentation on federal state coal initiatives from J. Allen Wampler, Assistant Secretary for Fossil Fuels, U.S. Department of Energy. There will also be status reports on the use of Virginia coal in state facilities and the Virginia tax

credit for use of Virginia mined coal.

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

VIRGINIA STATE CRIME COMMISSION

Firearms and Ammunition Subcommittee

August 31, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☐

The subcommittee will listen to staff presentations and testimony from various organizations and concerned citizens regarding issues which were proposed for study at the subcommittee meeting June 10, 1987 concerning firearms and ammunition.

Contact: Jan F. Hoen, Research Assistant, P. O. Box 3-AG, Richmond, Va. 23208, or General Assembly Bldg., 9th Fl., Room 915, Richmond, Va. 23219, telephone (804) 225-4534

JOINT SUBCOMMITTEE STUDYING THE HEARSAY RULE AND VIDEO TAPING OF TESTIMONY USED IN CHILD ABUSE CASES

September 1, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

The subcommittee will meet for a public hearing and working session.

September 23, 1987 - 10 a.m. - Open Meeting
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

The subcommittee will hold a working session.

Contact: Persons wishing to speak contact: Anne R. Howard, House of Delegates Clerk's Office, P. O. Box 406, Richmond, Va. 23203, telephone (804) 786-7681; for additional information contact: Oscar Brinson, Staff Attorney, or Mary K. Geisen, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

GOVERNOR'S TASK FORCE ON INDIGENT HEALTH CARE

† **September 9, 1987 - 1:30 p.m. - Public Hearing**
General Assembly Building, Capitol Square, Senate Room

A, Richmond, Virginia. ☐

A public hearing will be held on the recommendations of the subcommittees for the Governor's Task Force on Indigent Health Care. Twenty-three policy issues have been identified for study by the Task Force and its subcommittees. The subcommittees have proposed 68 actions on these issues. Before finally deciding what specific recommendations will be made to the Governor and to the General Assembly, public input is being invited. A copy of the subcommittees' report, which includes a listing of all issues and recommendations, is available from Leslie Darby, Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, Virginia 23219, telephone (804) 225-4280. SJR 151 (1987); SJR 32 (1986)

Contact: Herbert W. Oglesby, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 225-4287

JOINT SUBCOMMITTEE STUDYING LENDING INSTITUTIONS'S PRACTICES IN COMMERCIAL AND RESIDENTIAL REAL ESTATE CLOSINGS

† **August 20, 1987 - 10 a.m. - Public Hearing**
George Mason University, Student Union II Building, Rooms 5,6 & 7, Fairfax, Virginia

This is the last of three scheduled public hearings to receive testimony from the public on lending institutions' practices in commercial and residential real estate closings.

Contact: Persons wishing to speak contact: Jeff Finch, Committee Operations Office, House of Delegates, P. O. Box 406, Richmond, Va. 23203, telephone (804) 786-7681; for additional information contact: C. William Cramme, III, Staff Attorney, or Terry M. Barrett, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

JOINT SUBCOMMITTEE STUDYING THE PROBLEM OF TEENAGE PREGNANCY IN THE COMMONWEALTH

August 25, 1987 - 10 a.m. - Open Meeting
State Capitol, Capitol Square, House Room 4, Richmond, Virginia. ☐

This meeting will be a working session for this two-year study committee. HJR 280

Contact: Norma E. Szakal, Staff Attorney, or Brenda H. Edwards, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

Calendar of Events

JOINT SUBCOMMITTEE INVESTIGATING THE EXTENT OF UNFAIR COMPETITION BETWEEN NONPROFIT ORGANIZATIONS AND SMALL FOR-PROFIT BUSINESSES IN VIRGINIA

† September 1, 1987 - 10 a.m. - Open Meeting
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☒

The joint subcommittee will meet to elicit testimony regarding unfair competition issues; followed by a public hearing at 10:30 a.m. HJR 303

Contact: Persons wishing to speak contact: Barbara Hanback, House of Delegates, P. O. Box 406, Richmond, Va. 23203, telephone (804) 786-7681; for additional information contact: Terry Barrett, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

COMMISSION ON VETERANS' AFFAIRS

September 11, 1987 - 10 a.m. - Public Hearing
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☒

The commission will conduct a public hearing, taking testimony from individual veterans, representatives of veterans' organizations, and the general public on any matters concerning Virginia's veterans.

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

CHRONOLOGICAL LIST

OPEN MEETINGS

August 17
Job Training Coordinating Council, Governor's

August 18
Cosmetology, Virginia Board of
Housing Development Authority, Virginia
Medicine, Virginia State Board of
- Chiropractic Examination Committee

August 19
Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
Education, State Board of
† Milk Commission, State
† Psychology, Virginia Board of

Real Estate Board, Virginia
† Social Services, Board of
Treasury Board

August 20
Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
Education, State Board of
Nursing, Virginia State Board of
- Informal Conference Committee
† Psychology, Virginia Board of
† Social Services, Board of
Transportation Board, Commonwealth

August 21
Aviation Board, Virginia
- 14th Annual Virginia Aviation Conference
Building Code Technical Review Board, State
Dentistry, Virginia Board of
Medicine, Virginia State Board of
- Informal Conference Committee

August 22
Dentistry, Virginia Board of

August 24
Agricultural Council, Virginia
House Appropriations, House Finance and Senate
Finance Committees, Joint Meeting of

August 25
† Funeral Directors and Embalmers, Virginia Board of
Housing and Community Development, Board of
- Amusement Device Technical Advisory Committee
† Medicare and Medicaid, Governor's Advisory Board
on
Social Work, Virginia Board of
Teenage Pregnancy in the Commonwealth, Joint
Subcommittee Studying the Problem of

August 26
† Child-Support Formulas, Joint Subcommittee Studying
Funeral Directors and Embalmers, Virginia Board of
† Health Regulatory Board, Council on
Health Services Cost Review Council, Virginia
Land Evaluation Advisory Council
Mental Health, Mental Retardation and Substance
Abuse Services Board, State
Polygraph Examiners Advisory Board
† Professional Counselors, Virginia Board of
Sewage Handling and Disposal Appeals Review Board,
State

August 27
† Air Pollution Control Board, State
† Funeral Directors and Embalmers, Virginia Board of
† Health Regulatory Boards, Council on
Medicine, Virginia State Board of
- Informal Conference Committee
† Rehabilitative Services, Board of
- Finance Committee

Calendar of Events

- Legislative and Evaluation Committee
- Program Committee
Public Telecommunications Board, Virginia

August 28

† Funeral Directors and Embalmers, Virginia Board of
† Game and Inland Fisheries, Board of
Medicine, Virginia State Board of
- Informal Conference Committee
† Rehabilitative Services, Board of
† Water and Wastewater Works, State Board for
Certification of Operators of

August 31

† Medical Assistance Services, Board of

September 1

Code Commission, Virginia
Marine Resources Commission
† Medical Assistance Services, Board of
Medicine, Virginia State Board of
- Informal Conference Committee
† Unfair Competition Between Nonprofit Organizations
and Small For-Profit Businesses in Virginia, Joint
Subcommittee Investigating the Extent of
† Veterinary Medicine, Virginia Board of

September 2

† Coal and Energy Commission, Virginia
Code Commission, Virginia

September 3

Forestry, Department of
- Reforestation of Timberlands Board
Voluntary Formulary Board, Virginia

September 4

† Child Abuse and Neglect, Governor's Advisory Board
on
Land Evaluation Advisory Council

September 8

Norfolk State University
- Board of Visitors

September 9

Library Board

September 11

Commerce, Board of
General Services, Department of
- Art and Architectural Review Board
- State Insurance Advisory Board

September 14

Medical Care Facilities Certificate of Public Need,
Commission on

September 16

† Child-Support Formulas, Joint Subcommittee Studying
Corrections, State Board of

† Dentistry, Virginia Board of
† Soil and Water Conservation Board, Virginia

September 17

† Dentistry, Virginia Board of
Education, State Board of

September 18

Commonwealth University, Virginia
- Health Policy Colloquium
† Dentistry, Virginia Board of
Education, State Board of
† Physical Therapy, Advisory Board on

September 19

† Dentistry, Virginia Board of

September 23

Health Services Cost Review Council, Virginia
† Nursing Home Administrators, State Board of
Examiners for

September 24

† Nursing Home Administrators, State Board of
Examiners for
† Pilots, Board of Commissioners to Examine

September 25

† Librarians, State Board for Certification of
Medicine, Virginia State Board of
- Credentials Committee

September 26

† Cave Board, Virginia
Medicine, Virginia State Board of
- Credentials Committee

September 28

Hearsay Rule and Video Taping of Testimony Used in
Child Abuse Cases, Joint Subcommittee Studying the
Water Control Board, State

September 29

Water Control Board, State

September 30

Water Control Board, State

October 1

Water Control Board, State

October 5

† Medical Care Facilities Certificate of Public Need,
Commission on

October 7

† Child-Support Formulas, Joint Subcommittee Studying

October 14

† Sewage Handling and Disposal Appeals Review
Board, State

Calendar of Events

November 9

† Medical Care Facilities Certificate of Public Need,
Commission on

† Air Pollution Control Board, State

October 20

† Accountancy, State Board of

November 19

† Alcoholic Beverage Control Board

PUBLIC HEARINGS

August 18

Rehabilitative Services, Department of

August 19

Transportation Board, Commonwealth

August 20

† Lending Institutions' Practices in Commercial and
Residential Real Estate Closings, Joint Subcommittee
Studying

August 24

Voluntary Formulary Board, Virginia

August 25

Water Control Board, State

August 28

Health, Department of

August 31

Crime Commission, Virginia State
- Firearms and Ammunition Subcommittee

September 1

Hearsay Rules and Video Taping of Testimony Used in
Child Abuse Cases, Joint Subcommittee Studying the
Mines, Minerals and Energy, Department of

September 9

† Indigent Health Care, Governor's Task Force on

September 11

Veterans' Affairs, Commission on

September 18

Taxation, Department of

September 23

Nursing Home Administrators, State Board of
Examiners for

September 25

Librarians, State Board for the Certification of

September 28

Agriculture and Consumer Services, Department of

October 7

Criminal Justice Services Board

October 19