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1 **HOUSE BILL NO. 1111**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

4 *A BILL to amend and reenact § 8.01-676.1 of the Code of Virginia, relating to civil litigation; suspension*
5 *bonds and irrevocable letters of credit upon appeal.*

6 Patron—Hernandez

7 Committee Referral Pending

8 **Be it enacted by the General Assembly of Virginia:**9 **1. That § 8.01-676.1 of the Code of Virginia is amended and reenacted as follows:**10 **§ 8.01-676.1. Security for appeal.**11 A. Security for costs of appeal of right to Court of Appeals in civil cases. — A party filing a notice of an
12 appeal of right to the Court of Appeals in a civil case shall simultaneously file an appeal bond or irrevocable
13 letter of credit in the penalty of \$500, or such sum as the trial court may require, subject to subsection E,
14 conditioned upon paying all costs and fees incurred in the Court of Appeals and the Supreme Court if it takes
15 cognizance of the claim. If the appellant wishes suspension of execution in a civil appeal, the security shall
16 also be conditioned and shall be in such sum as the trial court may require as provided in subsection C.17 A1. Security for costs or suspension in criminal cases. — An appeal bond or letter of credit is not required
18 in criminal appeals as security for costs. A suspension bond is not required in criminal appeals.19 B. Security for costs on petition for appeal to Court of Appeals or Supreme Court. — An appellant whose
20 petition for appeal is granted by the Court of Appeals or the Supreme Court shall (if he has not done so)
21 within 15 days from the date of the Certificate of Appeal file an appeal bond or irrevocable letter of credit in
22 the same penalty as provided in subsection A, conditioned on the payment of all damages, costs, and fees
23 incurred in the Court of Appeals and in the Supreme Court.24 C. Security for suspension of execution. — An appellant who wishes execution of the judgment or award
25 from which an appeal is sought to be suspended during the appeal shall, subject to the provisions of
26 subsection J, file a suspending bond or irrevocable letter of credit conditioned upon the performance or
27 satisfaction of the judgment and payment of all damages incurred in consequence of such suspension, and
28 except as provided in subsection D, execution shall be suspended upon the filing of such security and the
29 timely prosecution of such appeal. Such security shall be continuing and additional security shall not be
30 necessary except as to any additional amount that may be added or to any additional requirement that may be
31 imposed by the courts.32 D. Suspension of execution in decrees for support and custody; injunctions. — The court from which an
33 appeal is sought may refuse to suspend the execution of decrees for support and custody, and may also refuse
34 suspension when a judgment refuses, grants, modifies, or dissolves an injunction.

35 E. Increase or decrease in penalty or other modification of security.

36 1. The trial court or commission may, upon the motion of any party (i) for good cause shown, modify the
37 terms of the security for the appeal or of the security for the suspension of execution of a judgment and (ii)
38 resolve any objection to the form or issuer of a bond or letter of credit at any time until the Court of Appeals
39 or the Supreme Court acts upon any similar motion. Any party aggrieved by the decision of the trial court or
40 commission may request a review of such decision by the appellate court before which the case is pending.41 2. The Court of Appeals or the Supreme Court may order that the penalty or any other terms or
42 requirements of the security for the appeal or of the security for the suspension of execution of a judgment be
43 modified for good cause shown (i) upon the motion of any party or (ii) if such request is made in the brief of
44 any party filed in the Court of Appeals, or in the Petition for Appeal or the appellee's Brief in Opposition filed
45 in the Supreme Court or the Court of Appeals.46 3. Affidavits and counter-affidavits may be filed by the parties containing facts pertinent to such request.
47 Any increase or decrease in the amount of or other modification of the security so ordered shall be effected in
48 the clerk's office of the trial court within 15 days of the order of the trial court, the Court of Appeals, or the
49 Supreme Court.50 4. If an increase so ordered is not effected within 15 days, the appeal shall be dismissed, in the case of the
51 security required under subsection A or B, or the suspension of execution of a judgment shall be
52 discontinued, in the case of the security required under subsection C.53 F. By whom executed. — Each bond filed shall be executed by a party or another on his behalf, and by
54 surety approved by the clerk of the court from which appeal is sought, or by the clerk of the Supreme Court
55 or the clerk of the Court of Appeals if the bond is ordered by such Court. Any letter of credit posted as
56 security for an appeal shall be in a form acceptable to the clerk of the court from which appeal is sought, or

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59 by the clerk of the Supreme Court or the Court of Appeals if the security is ordered by such court. The letter
60 of credit shall be from a bank incorporated or authorized to conduct banking business under the laws of this
61 Commonwealth or authorized to do business in this Commonwealth under the banking laws of the United
62 States, or a federally insured savings institution located in this Commonwealth.

63 G. Appeal from State Corporation Commission; security for costs. — When an appeal of right is entered
64 from the State Corporation Commission to the Supreme Court, and no suspension of the order, judgment, or
65 decree appealed from is requested, such appeal bond or letter of credit shall be filed when and in the amount
66 required by the clerk of the Supreme Court, whose action shall be subject to review by the Supreme Court.

67 H. Appeal from State Corporation Commission; suspension. — Any judgment, order, or decree of the
68 State Corporation Commission subject to appeal to the Supreme Court may be suspended by the Commission
69 or by the Supreme Court pending decision of the appeal if the Commission or the Supreme Court deems such
70 suspension necessary for the proper administration of justice but only upon the written application of an
71 appellant after reasonable notice to all other parties in interest and the filing of a suspending bond or
72 irrevocable letter of credit with such conditions, in such penalty, and with such surety thereon as the
73 Commission or the Supreme Court may deem sufficient. But no surety shall be required if the appellant is any
74 county, city or town of this Commonwealth, or the Commonwealth.

75 I. Forms of bonds; letters of credit; where filed. — The Clerk of the Supreme Court shall prescribe
76 separate forms for bonds, one for costs alone, one for suspension of execution, and one for both and a form
77 for irrevocable letters of credit, to which the bond or bonds or irrevocable letters of credit given shall
78 substantially conform. The forms for each bond and the letter of credit shall be published in the Rules of
79 Court. It shall be sufficient if the bond or letter of credit, when executed as required, is filed with the trial
80 court, clerk of the Virginia Workers' Compensation Commission, or the clerk of the State Corporation
81 Commission, whichever is applicable, and no personal appearance in the trial court, Virginia Workers'
82 Compensation Commission, or State Corporation Commission by the principal, the surety on the bond or the
83 bank issuing the letter of credit shall be required as a condition precedent to its filing.

84 J. In any civil litigation under any legal theory, the amount of the suspending bond or irrevocable letter of
85 credit to be furnished during the pendency of all appeals or discretionary reviews of any judgment granting
86 legal, equitable, or any other form of relief in order to stay the execution thereon during the entire course of
87 appellate review by any courts shall be set in accordance with applicable laws or court rules, and the amount
88 of the suspending bond or irrevocable letter of credit shall include an amount equivalent to one year's interest
89 calculated from the date of the notice of appeal in accordance with § 8.01-682. However, the total suspending
90 bond or irrevocable letter of credit that is required of an appellant and all of its affiliates shall not exceed \$25
91 \$200 million, regardless of the value of the judgment. *On April 1, 2029, and at each three-year interval*
92 *ending on April 1 thereafter, the monetary limit pursuant to this subsection immediately before such April 1*
93 *shall be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers (CPI-U), as*
94 *published by the Bureau of Labor Statistics of the U.S. Department of Labor, for the most recent three-year*
95 *period ending immediately before the January 1 preceding such April 1, and the dollar amount representing*
96 *such change shall be rounded to the nearest \$1,000.*

97 K. Dissipation of assets. — If the appellee proves by a preponderance of the evidence that a party bringing
98 an appeal, for whom the suspending bond or irrevocable letter of credit requirement has been limited or
99 waived, is purposefully dissipating its assets or diverting assets outside the jurisdiction of the United States
100 courts for the purpose of evading the judgment, the limitation or waiver shall be rescinded and a court may
101 require the appellant to post a suspending bond or irrevocable letter of credit in an amount up to the full
102 amount of the judgment. Dissipation of assets shall not include those ongoing expenditures made from assets
103 of the kind that the appellant made in the regular course of business prior to the judgment being appealed,
104 such as the payment of stock dividends and other financial incentives to the shareholders of publicly owned
105 companies, continued participation in charitable and civic activities, and other expenditures consistent with
106 the exercise of good business judgment.

107 L. For good cause shown, a court may otherwise waive the filing of a suspending bond or irrevocable
108 letter of credit as to the damages in excess of, or other than, the compensatory damages. Subject to the
109 provisions of subsection K, the parties may agree to waive the requirement of a suspending bond or
110 irrevocable letter of credit or agree to a suspending bond or irrevocable letter of credit in an amount less than
111 the compensatory damages.

112 M. Exemption. — When an appeal is proper to protect the estate of a decedent or person under disability,
113 or to protect the interest of the Commonwealth or any county, city, or town of this Commonwealth, no
114 security for appeal shall be required.

115 N. Indigents. — No person who is an indigent shall be required to post security for an appeal bond.

116 O. Virginia Workers' Compensation Commission. — No claimant who files an appeal from a final
117 decision of the Virginia Workers' Compensation Commission with the Court of Appeals shall be required to
118 post security for costs as provided in subsection A if such claimant has not returned to his employment or by
119 reason of his disability is unemployed. Such claimant shall file an affidavit describing his disability and
120 employment status with the Court of Appeals together with a motion to waive the filing of the security under

121 subsection A.

122 P. Time for filing security for appeal. — The appeal bond or letter of credit prescribed in subsections A
123 and B is not jurisdictional and the time for filing such security in cases before the Court of Appeals or the
124 Supreme Court may be extended by a judge or justice of the court before which the case is pending on motion
125 for good cause shown. The effect of failing to perfect an appeal bond shall be governed by the Rules of
126 Supreme Court of Virginia.

127 Q. Consideration of appeal bond, suspending bond, or letter of credit by Court of Appeals or Supreme
128 Court. — A determination on an issue affecting an appeal bond, suspending bond, or letter of credit in a case
129 before the Court of Appeals or the Supreme Court may be considered by an individual judge of such court
130 rather than by a panel of judges.

131 R. This section applies to injunction bonds required pursuant to § 8.01-631.

132 S. In accordance with § 1-205, if the party required to post an appeal or suspending bond tenders such
133 bond together with cash in the full amount required by this section to the clerk specified in this section, no
134 surety shall be required.