



## Fiscal Impact Statement for Proposed Legislation

*Virginia State Corporation Commission*

**Published:** January 26, 2026

### Senate Bill 246

**Version:** Introduced

**Patron:** Surovell

**Title:** Virginia Nonstock Corporation Act.

**Summary:** Provides for numerous revisions to the Virginia Nonstock Corporation Act. Among other revisions, the bill (i) authorizes certain actions to derive from its bylaws in addition to its articles of incorporation, (ii) makes changes to the process of amending articles of incorporation and bylaws, (iii) authorizes inclusion of an exclusive forum provision in the bylaws, (iv) permits transfer of membership interests, (v) authorizes members to bring derivative proceedings, (vi) permits a court to remove a director in certain circumstances, (vii) provides for abandonment of an amendment or restatement of the articles of incorporation, (viii) extends the current provisions related to mergers to include interest exchanges and to provide for parent-subsidiary mergers, (ix) replaces existing provisions on conversion with provisions based on the Virginia Stock Act, and (x) adds provisions governing charitable corporations and charitable assets, including the authority of the Office of the Attorney General with respect to such. The bill includes technical amendments and has a delayed effective date of July 1, 2027.

**Effective Date(s):** July 1, 2027

**Amendment Necessary:**  Budget, Item 474

Technical, see *Technical Note* below

None

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### *Fiscal Summary*

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TYPE OF IMPACT	FY2027	FY2028	FY2029	FY2030	FY2031
<b>REVENUE</b>					
General (XXXX)					
Nongeneral (XXXX)					
<b>EXPENDITURES</b>					
General (XXXX)					
Nongeneral (02173)	\$201,000				
<b>CHANGE IN FTE</b>					
General (XXXX)					
Nongeneral (XXXX)					

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## *Fiscal Analysis*

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### **Revenue**

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The requirements of this bill can be satisfied within the Clerk's Office current revenue authority.

### **Expenditures**

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Based on an initial assessment of the bill, numerous changes needed to the Clerk's Information System (CIS) were identified. The SCC's third-party software provider completed a review of the proposed changes based on draft requirements and estimated that the cost would be approximately \$201,000. This would be a one-time cost.

### **Change in FTE**

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None.

### **Other Comments**

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None.

### **Technical Note**

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None.