



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: February 2, 2026

Senate Bill 246

Version: Senate Substitute 1

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-subsidary 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

Fiscal Summary

TYPE OF IMPACT	FY2027	FY2028	FY2029	FY2030	FY2031
REVENUE					
<i>General (XXXX)</i>					
<i>Nongeneral (02173)</i>	\$331,000	\$331,000	\$331,000	\$331,000	\$331,000
EXPENDITURES					
<i>General (XXXX)</i>					
<i>Nongeneral (02173)</i>	\$201,000				
CHANGE IN FTE					
<i>General (XXXX)</i>					
<i>Nongeneral (XXXX)</i>					

Fiscal Analysis

Revenue

It is estimated that an additional \$331,000 in reinstatement fee revenue will be realized by the SCC with the increase in the fee for the reinstatement of a nonstock corporation from \$10 to \$100 included in the bill.

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

Expenditures

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

Change in FTE

None.

Other Comments

None.

Technical Note

None.