

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-811, as it is currently effective and as it may become effective, and*
 3 *58.1-3607 of the Code of Virginia and to repeal §§ 58.1-3650.31 and 58.1-3650.716 of the Code of*
 4 *Virginia, relating to tax exemptions; Confederacy organizations.*

5 [H 167]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1. That §§ 58.1-811, as it is currently effective and as it may become effective, and 58.1-3607 of the**
 9 **Code of Virginia are amended and reenacted as follows:**

10 **§ 58.1-811. (Contingent expiration date) Exemptions.**

11 A. The taxes imposed by §§ 58.1-801 and 58.1-807 shall not apply to any deed conveying real estate or
 12 lease of real estate:

13 1. To an incorporated college or other incorporated institution of learning not conducted for profit, where
 14 such real estate is intended to be used for educational purposes and not as a source of revenue or profit;

15 2. To an incorporated church or religious body or to the trustee or trustees of any church or religious body,
 16 or a corporation mentioned in § 57-16.1, where such real estate is intended to be used exclusively for
 17 religious purposes, or for the residence of the minister of any such church or religious body;

18 3. To the United States, the Commonwealth, or to any county, city, town, district, or other political
 19 subdivision of the Commonwealth;

20 ~~4. To the Virginia Division of the United Daughters of the Confederacy;~~

21 ~~5. To any nonstock corporation organized exclusively for the purpose of owning or operating a hospital or~~
 22 ~~hospitals not for pecuniary profit;~~

23 ~~6. 5. To a corporation upon its organization by persons in control of the corporation in a transaction which~~
 24 ~~qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the~~
 25 ~~time of the conveyance;~~

26 ~~7. 6. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a~~
 27 ~~transaction which qualifies for income tax treatment pursuant to § 331, 332, 333, or 337 of the Internal~~
 28 ~~Revenue Code as it exists at the time of liquidation;~~

29 ~~8. 7. To the surviving or new corporation, partnership, limited partnership, business trust, or limited~~
 30 ~~liability company upon a merger or consolidation to which two or more such entities are parties, or in a~~
 31 ~~reorganization within the meaning of § 368(a)(1)(C) and (F) of the Internal Revenue Code as amended;~~

32 ~~9. 8. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent~~
 33 ~~corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as~~
 34 ~~amended;~~

35 ~~10. 9. To a partnership or limited liability company, when the grantors are entitled to receive not less than~~
 36 ~~50 percent of the profits and surplus of such partnership or limited liability company, provided that the~~
 37 ~~transfer to a limited liability company is not a precursor to a transfer of control of the assets of the company~~
 38 ~~to avoid recordation taxes;~~

39 ~~11. 10. From a partnership or limited liability company, when the grantees are entitled to receive not less~~
 40 ~~than 50 percent of the profits and surplus of such partnership or limited liability company, provided that the~~
 41 ~~transfer from a limited liability company is not subsequent to a transfer of control of the assets of the~~
 42 ~~company to avoid recordation taxes;~~

43 ~~12. 11. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of~~
 44 ~~the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust~~
 45 ~~instrument, when no consideration has passed between the grantor and the beneficiaries;~~

46 ~~13. 12. When the grantor is an organization exempt from taxation under § 501(c)(3) of the Internal~~
 47 ~~Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect or~~
 48 ~~rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise would be~~
 49 ~~unable to afford to buy a home through conventional means;~~

50 ~~14. When it is a 13. To any deed of partition, or any combination of deeds simultaneously executed and~~
 51 ~~having the effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or~~

52 ~~15. When it is a 14. To any deed transferring property pursuant to a decree of divorce or of separate~~
 53 ~~maintenance or pursuant to a written instrument incident to such divorce or separation.~~

54 B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:

55 1. Given by an incorporated college or other incorporated institution of learning not conducted for profit;

56 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or

57 religious body, or given by a corporation mentioned in § 57-16.1;

58 3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or operating a
59 hospital or hospitals not for pecuniary profit;

60 4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a debt
61 payable to any other local governmental entity or political subdivision;

62 5. Securing a loan made by an organization described in subdivision A ~~13~~ 12;

63 6. Securing a loan made by a county, city, or town, or an agency of such a locality, to a borrower whose
64 household income does not exceed 80 percent of the area median household income established by the U.S.
65 Department of Housing and Urban Development, for the purpose of erecting or rehabilitating a home for such
66 borrower, including the purchase of land for such home; or

67 7. Given by any entity organized pursuant to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56.

68 C. The tax imposed by § 58.1-802 and the fee imposed by §§ 58.1-802.3, 58.1-802.4, and 58.1-802.5 shall
69 not apply to any:

70 1. Transaction described in subdivisions A 6 5 through ~~12~~ 11, ~~14~~ 13, and ~~15~~ 14;

71 2. Instrument or writing given to secure a debt;

72 3. Deed conveying real estate from an incorporated college or other incorporated institution of learning
73 not conducted for profit;

74 4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town,
75 district, or other political subdivision thereof;

76 5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other political
77 subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to
78 § 58.1-802 or subject to the fee under § 58.1-802.3 or 58.1-802.5; or

79 6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an
80 incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

81 D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or
82 grantors and a grantee or grantees when no consideration has passed between the parties. Such deed shall
83 state therein that it is a deed of gift.

84 E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the Commonwealth, or
85 any county, city, town, district, or other political subdivision of the Commonwealth.

86 F. The taxes and fees imposed by §§ 58.1-801, 58.1-802, 58.1-802.3, 58.1-802.5, 58.1-807, 58.1-808, and
87 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The Nature
88 Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy, where such
89 deed of gift or lease of real estate is intended to be used exclusively for the purpose of preserving wilderness,
90 natural, or open space areas.

91 G. The words "trustee" or "trustees," as used in subdivisions A 2, B 2, and C 6, include the trustees
92 mentioned in § 57-8 and the ecclesiastical officers mentioned in § 57-16.

93 H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if
94 the release is contained within a single deed that performs more than one function, and at least one of the
95 other functions performed by the deed is subject to the recordation tax.

96 I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement, release, or
97 other document recorded in connection with a concession pursuant to the Public-Private Transportation Act
98 of 1995 (§ 33.2-1800 et seq.) or similar federal law.

99 J. No recordation tax shall be required for the recordation of any transfer on death deed or any revocation
100 of transfer on death deed made pursuant to the Uniform Real Property Transfer on Death Act (§ 64.2-621 et
101 seq.) when no consideration has passed between the parties.

102 K. No recordation tax levied pursuant to this chapter shall be required for the recordation of any deed of
103 distribution when no consideration has passed between the parties. Such deed shall state therein on the front
104 page that it is a deed of distribution. As used in this subsection, "deed of distribution" means a deed
105 conveying property from an estate or trust (i) to the original beneficiaries of a trust from the trustees holding
106 title under a deed in trust; (ii) the purpose of which is to comply with a devise or bequest in the decedent's
107 will or to transfer title to one or more beneficiaries after the death of the settlor in accordance with a
108 dispositive provision in the trust instrument; (iii) that carries out the exercise of a power of appointment; or
109 (iv) *that* is pursuant to the exercise of the power under the Uniform Trust Decanting Act (§ 64.2-779.1 et
110 seq.).

111 **§ 58.1-811. (Contingent effective date) Exemptions.**

112 A. The taxes imposed by §§ 58.1-801 and 58.1-807 shall not apply to any deed conveying real estate or
113 lease of real estate:

114 1. To an incorporated college or other incorporated institution of learning not conducted for profit, where
115 such real estate is intended to be used for educational purposes and not as a source of revenue or profit;

116 2. To an incorporated church or religious body or to the trustee or trustees of any church or religious body,
117 or a corporation mentioned in § 57-16.1, where such real estate is intended to be used exclusively for
118 religious purposes, or for the residence of the minister of any such church or religious body;

- 119 3. To the United States, the Commonwealth, or to any county, city, town, district, or other political
 120 subdivision of the Commonwealth;
- 121 4. ~~To the Virginia Division of the United Daughters of the Confederacy;~~
- 122 5. To any nonstock corporation organized exclusively for the purpose of owning or operating a hospital or
 123 hospitals not for pecuniary profit;
- 124 6. 5. To a corporation upon its organization by persons in control of the corporation in a transaction which
 125 qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the
 126 time of the conveyance;
- 127 7. 6. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a
 128 transaction which qualifies for income tax treatment pursuant to § 331, 332, 333, or 337 of the Internal
 129 Revenue Code as it exists at the time of liquidation;
- 130 8. 7. To the surviving or new corporation, partnership, limited partnership, business trust, or limited
 131 liability company upon a merger or consolidation to which two or more such entities are parties, or in a
 132 reorganization within the meaning of § 368(a)(1)(C) and (F) of the Internal Revenue Code as amended;
- 133 9. 8. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent
 134 corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as
 135 amended;
- 136 10. 9. To a partnership or limited liability company, when the grantors are entitled to receive not less than
 137 50 percent of the profits and surplus of such partnership or limited liability company, provided that the
 138 transfer to a limited liability company is not a precursor to a transfer of control of the assets of the company
 139 to avoid recordation taxes;
- 140 11. 10. From a partnership or limited liability company, when the grantees are entitled to receive not less
 141 than 50 percent of the profits and surplus of such partnership or limited liability company, provided that the
 142 transfer from a limited liability company is not subsequent to a transfer of control of the assets of the
 143 company to avoid recordation taxes;
- 144 12. 11. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of
 145 the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust
 146 instrument, when no consideration has passed between the grantor and the beneficiaries;
- 147 13. 12. When the grantor is an organization exempt from taxation under § 501(c)(3) of the Internal
 148 Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect or
 149 rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise would be
 150 unable to afford to buy a home through conventional means;
- 151 14. ~~Pursuant to 13.~~ To any deed of partition, or any combination of deeds simultaneously executed and
 152 having the effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or
- 153 15. ~~Pursuant to 14.~~ To any deed transferring property pursuant to a decree of divorce or of separate
 154 maintenance or pursuant to a written instrument incident to such divorce or separation.
- 155 B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:
- 156 1. Given by an incorporated college or other incorporated institution of learning not conducted for profit;
- 157 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or
 158 religious body, or given by a corporation mentioned in § 57-16.1;
- 159 3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or operating a
 160 hospital or hospitals not for pecuniary profit;
- 161 4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a debt
 162 payable to any other local governmental entity or political subdivision;
- 163 5. Securing a loan made by an organization described in subdivision A ~~13~~ 12;
- 164 6. Securing a loan made by a county, city, or town, or an agency of such a locality, to a borrower whose
 165 household income does not exceed 80 percent of the area median household income established by the U.S.
 166 Department of Housing and Urban Development, for the purpose of erecting or rehabilitating a home for such
 167 borrower, including the purchase of land for such home; or
- 168 7. Given by any entity organized pursuant to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56.
- 169 C. The tax imposed by § 58.1-802 shall not apply to any:
- 170 1. Transaction described in subdivisions A ~~6~~ 5 through ~~12~~ 11, ~~14~~ 13, and ~~15~~ 14;
- 171 2. Instrument or writing given to secure a debt;
- 172 3. Deed conveying real estate from an incorporated college or other incorporated institution of learning
 173 not conducted for profit;
- 174 4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town,
 175 district, or other political subdivision thereof;
- 176 5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other political
 177 subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to
 178 § 58.1-802; or
- 179 6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an
 180 incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

181 D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or
 182 grantors and a grantee or grantees when no consideration has passed between the parties. Such deed shall
 183 state therein that it is a deed of gift.

184 E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the Commonwealth, or
 185 any county, city, town, district, or other political subdivision of the Commonwealth.

186 F. The taxes and fees imposed by §§ 58.1-801, 58.1-802, 58.1-807, 58.1-808, and 58.1-814 shall not apply
 187 to (i) any deed of gift conveying real estate or any interest therein to The Nature Conservancy or (ii) any lease
 188 of real property or any interest therein to The Nature Conservancy, where such deed of gift or lease of real
 189 estate is intended to be used exclusively for the purpose of preserving wilderness, natural, or open space
 190 areas.

191 G. The words "trustee" or "trustees," as used in subdivisions A 2, B 2, and C 6, include the trustees
 192 mentioned in § 57-8 and the ecclesiastical officers mentioned in § 57-16.

193 H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if
 194 the release is contained within a single deed that performs more than one function, and at least one of the
 195 other functions performed by the deed is subject to the recordation tax.

196 I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement, release, or
 197 other document recorded in connection with a concession pursuant to the Public-Private Transportation Act
 198 of 1995 (§ 33.2-1800 et seq.) or similar federal law.

199 J. No recordation tax shall be required for the recordation of any transfer on death deed or any revocation
 200 of transfer on death deed made pursuant to the Uniform Real Property Transfer on Death Act (§ 64.2-621 et
 201 seq.) when no consideration has passed between the parties.

202 K. No recordation tax levied pursuant to this chapter shall be required for the recordation of any deed of
 203 distribution when no consideration has passed between the parties. Such deed shall state therein on the front
 204 page that it is a deed of distribution. As used in this subsection, "deed of distribution" means a deed
 205 conveying property from an estate or trust (i) to the original beneficiaries of a trust from the trustees holding
 206 title under a deed in trust; (ii) the purpose of which is to comply with a devise or bequest in the decedent's
 207 will or to transfer title to one or more beneficiaries after the death of the settlor in accordance with a
 208 dispositive provision in the trust instrument; (iii) that carries out the exercise of a power of appointment; or
 209 (iv) is pursuant to the exercise of the power under the Uniform Trust Decanting Act (§ 64.2-779.1 et seq.).

210 **§ 58.1-3607. Property exempt from taxation by designation.**

211 A. Pursuant to the authority granted in Article X, Section 6 (a) (6) of the Constitution of Virginia to
 212 exempt property from taxation by designation, and notwithstanding the provisions of § 58.1-3651, the real
 213 and personal property of the following organizations, corporations, and associations shall be exempt from
 214 taxation:

215 1. Property of the Association for the Preservation of Virginia Antiquities, the Association for the
 216 Preservation of Petersburg Antiquities, Historic Richmond Foundation, ~~the Confederate Memorial Literary~~
 217 ~~Society~~, the Mount Vernon Ladies' Association of the Union, the Virginia Historical Society, the Thomas
 218 Jefferson Memorial Foundation, Incorporated, the Patrick Henry Memorial Foundation, Incorporated, ~~the~~
 219 ~~Stonewall Jackson Memorial, Incorporated~~, George Washington's Fredericksburg Foundation, Home
 220 Demonstration Clubs, 4-H Clubs, the Future Farmers of America, Incorporated, the posts of the American
 221 Legion, posts of United Spanish War Veterans, branches of the Fleet Reserve Association, posts of Veterans
 222 of Foreign Wars, posts of the Disabled American Veterans, Veterans of World War I, USA, Incorporated, the
 223 Society of the Cincinnati in the State of Virginia, the Manassas Battlefield Confederate Park, Incorporated,
 224 the Robert E. Lee Memorial Foundation, Incorporated, ~~the Virginia Division of the United Daughters of the~~
 225 ~~Confederacy~~, ~~the General Organization of the United Daughters of the Confederacy~~, the Memorial
 226 Foundation of the Germanna Colonies in Virginia, Incorporated, the Lynchburg Fine Arts Centers,
 227 Incorporated, Norfolk Historic Foundation, National Trust for Historic Preservation in the United States,
 228 Historic Alexandria Foundation, and the Lynchburg Historical Foundation.

229 2. Property of Colonial Williamsburg, Incorporated, used for museum, historical, municipal, benevolent or
 230 charitable purposes, as long as such corporation continues to be organized and operated not for profit.

231 3. Property owned by the Virginia Home (previously Virginia Home for Incurables), incorporated by
 232 Chapter 533 of the Acts of Assembly of 1893-4, approved March 1, 1894.

233 4. The property owned by the Waterford Foundation, Incorporated, so long as it continues to be a
 234 nonprofit corporation to encourage and assist in restoration work in Waterford and to stimulate the revival of
 235 local arts and crafts.

236 5. Property of Historic Fredericksburg, Incorporated, and of the Clarke County Historical Association,
 237 used by such organizations for historical, benevolent or charitable purposes, as long as such corporation
 238 continues to be organized and operated not for profit.

239 6. Property of the Westmoreland Davis Foundation, Inc., so long as it continues to be a nonprofit
 240 corporation.

241 7. Property owned by the Women's Home Incorporated, in Arlington County and used for the
 242 rehabilitation of women with substance abuse, so long as it continues to be operated not for profit.

243 B. Property designated to be exempt from taxation in subsection A which was exempt on July 1, 1971,
244 shall continue to be exempt under the rules of statutory construction applicable to exempt property prior to
245 such date.
246 **2. That §§ 58.1-3650.31 and 58.1-3650.716 of the Code of Virginia are repealed.**

ENROLLED

HB167ER