

26108897D

SENATE BILL NO. 725
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the House Committee for Courts of Justice
 on March 2, 2026)

(Patron Prior to Substitute—Senator Jones)

A BILL to amend and reenact §§ 8.9A-502, 17.1-275, 17.1-279, and 58.1-811, as it is currently effective and as it may become effective, of the Code of Virginia, relating to land records; certain financing statements; circuit court clerks; fees; Technology Trust Fund Fee; report.

Be it enacted by the General Assembly of Virginia:

1. That §§ 8.9A-502, 17.1-275, 17.1-279, and 58.1-811, as it is currently effective and as it may become effective, of the Code of Virginia are amended and reenacted as follows:

§ 8.9A-502. Contents of financing statement; record of mortgage as financing statement; time of filing financing statement.

(a) Sufficiency of financing statement. Subject to subsection (b), a financing statement is sufficient only if it:

- (1) provides the name of the debtor;
- (2) provides the name of the secured party or a representative of the secured party; and
- (3) indicates the collateral covered by the financing statement.

(b) Real-property-related financing statements. Except as otherwise provided in § 8.9A-501 (b), to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection (a) and also:

- (1) indicate that it covers this type of collateral;
- (2) indicate that it is to be filed for record in the real property records;
- (3) provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and
- (4) if the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) Record of mortgage as financing statement. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

- (1) the record indicates the goods or accounts that it covers;
- (2) the goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;
- (3) the record satisfies the requirements for a financing statement in this section, but:
 - (A) the record need not indicate that it is to be filed in the real property records; and
 - (B) the record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom § 8.9A-503(a)(4) applies; and
 - (4) the record is duly recorded.
- (d) Filing before security agreement or attachment. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

(e) Recording and indexing a multipurpose deed of trust or mortgage incorporating a financing statement. Where a multipurpose deed of trust or mortgage that incorporates a financing statement as a part of the deed of trust or mortgage and is identified on the first page as a multipurpose deed of trust or a multipurpose mortgage in accordance with the provisions of subdivision A 2a of § 17.1-275 is recorded, no clerk of a circuit court shall keep the original document as he would with a financing statement only. Fees for recording and indexing such record of a multipurpose deed of trust or mortgage of a financing statement shall be assessed pursuant to subdivision A 2a of § 17.1-275.

§ 17.1-275. Fees collected by clerks of circuit courts; generally.

A. A clerk of a circuit court shall, for services performed by virtue of his office, charge the following fees:

1. [Repealed.]

2. For recording and indexing in the proper book any writing and all matters therewith, or for recording and indexing anything not otherwise provided for, \$18 for an instrument or document consisting of 10 or fewer pages or sheets; \$32 for an instrument or document consisting of 11 to 30 pages or sheets; and \$52 for an instrument or document consisting of 31 or more pages or sheets. Whenever any writing to be recorded includes plat or map sheets no larger than eight and one-half inches by 14 inches, such plat or map sheets shall be counted as ordinary pages for the purpose of computing the recording fee due pursuant to this

60 section. A fee of \$17 per page or sheet shall be charged with respect to plat or map sheets larger than eight
61 and one-half inches by 14 inches. Only a single fee as authorized by this subdivision shall be charged for
62 recording a certificate of satisfaction that releases the original deed of trust and any corrected or revised deeds
63 of trust. Three dollars and fifty cents of the fee collected for recording and indexing shall be designated for
64 use in preserving the permanent records of the circuit courts. The sum collected for this purpose shall be
65 administered by The Library of Virginia in cooperation with the circuit court clerks.

66 *2a. For recording and indexing in the proper book a multipurpose deed of trust or mortgage as described*
67 *in this section, \$200 for an instrument or document consisting of 10 or fewer pages or sheets; \$250 for an*
68 *instrument or document consisting of 11 to 30 pages or sheets; and \$300 for an instrument or document*
69 *consisting of 31 or more pages or sheets. Where a deed of trust or mortgage, whether commercial or not,*
70 *serves multiple purposes and contains two or more components that may serve as independent legal*
71 *instruments for independent legal purposes, no clerk shall assess separate fees for recording and indexing*
72 *such document for each independent legal purpose and shall have no duty to index the document other than*
73 *as a deed of trust or mortgage. However, the standard fees, and not the fees set forth in this subsection, shall*
74 *apply where multiple copies of the document are provided for recordation with a request that they be indexed*
75 *as individual legal instruments. A multipurpose deed of trust or mortgage may include a deed of trust or*
76 *mortgage, a security agreement, an assignment of rents and leases, or any real-property-related financing*
77 *statement pursuant to § 8.9A-502, including such financing statement that covers as-extracted collateral or*
78 *timber to be cut, or that is filed as a fixture for filing and covers goods that are to become fixtures. A*
79 *multipurpose deed of trust or mortgage shall set forth on the front page, either in capital letters or in*
80 *language underscored, "THIS IS A MULTIPURPOSE DEED OF TRUST" or "THIS IS A MULTIPURPOSE*
81 *MORTGAGE." Such phrase shall convey notice to all parties, irrespective of how the instrument is recorded*
82 *and indexed, that the instrument may serve independent legal purposes. Such multiple purposes shall not*
83 *include a transfer of title of real estate to anyone other than a trustee under a deed of trust.*

84 3. For appointing and qualifying any personal representative, committee, trustee, guardian, or other
85 fiduciary, in addition to any fees for recording allowed by this section, \$20 for estates not exceeding \$50,000,
86 \$25 for estates not exceeding \$100,000 and \$30 for estates exceeding \$100,000. No fee shall be charged for
87 estates of \$5,000 or less.

88 4. For entering and granting and for issuing any license, other than a marriage license or a hunting and
89 fishing license, and administering an oath when necessary, \$10.

90 5. For issuing a marriage license, attaching certificate, administering or receiving all necessary oaths or
91 affidavits, indexing and recording, \$10. For recording an order to celebrate the rites of marriage pursuant to
92 § 20-25, \$25 to be paid by the petitioner.

93 6. For making out any bond, other than those under § 17.1-267 or subdivision A 4, administering all
94 necessary oaths and writing proper affidavits, \$3.

95 7. For all services rendered by the clerk in any garnishment or attachment proceeding, the clerk's fee shall
96 be \$15 in cases not exceeding \$500 and \$25 in all other cases.

97 8. For making out a copy of any paper, record, or electronic record to go out of the office, which is not
98 otherwise specifically provided for herein, a fee of \$0.50 for each page or, if an electronic record, each image.
99 From such fees, the clerk shall reimburse the locality the costs of making out the copies and pay the
100 remaining fees directly to the Commonwealth. The funds to recoup the cost of making out the copies shall be
101 deposited with the county or city treasurer or Director of Finance, and the governing body shall budget and
102 appropriate such funds to be used to support the cost of copies pursuant to this subdivision. For purposes of
103 this section, the costs of making out the copies authorized under this section shall include costs included in
104 the lease and maintenance agreements for the equipment and the technology needed to operate electronic
105 systems in the clerk's office used to make out the copies, but shall not include salaries or related benefits. The
106 costs of copies shall otherwise be determined in accordance with § 2.2-3704. However, there shall be no
107 charge to the recipient of a final order or decree to send an attested copy to such party.

108 9. For annexing the seal of the court to any paper, writing the certificate of the clerk accompanying it, the
109 clerk shall charge \$2 and for attaching the certificate of the judge, if the clerk is requested to do so, the clerk
110 shall charge an additional \$0.50.

111 10. In any case in which a person is convicted of a violation of any provision of Article 1 (§ 18.2-247 et
112 seq.) of Chapter 7 of Title 18.2 or is subject to a disposition under § 18.2-251, the clerk shall assess a fee of
113 \$150 for each felony conviction and each felony disposition under § 18.2-251 which shall be taxed as costs to
114 the defendant and shall be paid into the Drug Offender Assessment and Treatment Fund.

115 11. In any case in which a person is convicted of a violation of any provision of Article 1 (§ 18.2-247 et
116 seq.) of Chapter 7 of Title 18.2 or is subject to a disposition under § 18.2-251, the clerk shall assess a fee for
117 each misdemeanor conviction and each misdemeanor disposition under § 18.2-251, which shall be taxed as
118 costs to the defendant and shall be paid into the Drug Offender Assessment and Treatment Fund as provided
119 in § 17.1-275.8.

120 12. Upon the defendant's being required to successfully complete traffic school, a mature driver motor
121 vehicle crash prevention course, or a driver improvement clinic in lieu of a finding of guilty, the court shall

122 charge the defendant fees and costs as if he had been convicted.

123 13. In all civil actions that include one or more claims for the award of monetary damages the clerk's fee
 124 chargeable to the plaintiff shall be \$100 in cases seeking recovery not exceeding \$49,999; \$200 in cases
 125 seeking recovery exceeding \$49,999, but not exceeding \$100,000; \$250 in cases seeking recovery exceeding
 126 \$100,000, but not exceeding \$500,000; and \$300 in cases seeking recovery exceeding \$500,000. Ten dollars
 127 of each such fee shall be apportioned to the Courts Technology Fund established under § 17.1-132. A fee of
 128 \$25 shall be paid by the plaintiff at the time of instituting a condemnation case, in lieu of any other fees.
 129 There shall be no fee charged for the filing of a cross-claim or setoff in any pending action. However, the fees
 130 prescribed by this subdivision shall be charged upon the filing of a counterclaim or a claim impleading a
 131 third-party defendant. The fees prescribed above shall be collected upon the filing of papers for the
 132 commencement of civil actions. This subdivision shall not be applicable to cases filed in the Supreme Court
 133 of Virginia.

134 13a. For the filing of any petition seeking court approval of a settlement where no action has yet been
 135 filed, the clerk's fee, chargeable to the petitioner, shall be \$50, to be paid by the petitioner at the time of filing
 136 the petition.

137 14. In addition to the fees chargeable for civil actions, for the costs of proceedings for judgments by
 138 confession under §§ 8.01-432 through 8.01-440, the clerk shall tax as costs (i) the cost of registered or
 139 certified mail; (ii) the statutory writ tax, in the amount required by law to be paid on a suit for the amount of
 140 the confessed judgment; (iii) for the sheriff for serving each copy of the order entering judgment, \$12; and
 141 (iv) for docketing the judgment and issuing executions thereon, the same fees as prescribed in subdivision A
 142 17.

143 15. For qualifying notaries public, including the making out of the bond and any copies thereof,
 144 administering the necessary oaths, and entering the order, \$10.

145 16. For each habeas corpus proceeding, the clerk shall receive \$10 for all services required thereunder.
 146 This subdivision shall not be applicable to such suits filed in the Supreme Court of Virginia.

147 17. For docketing and indexing a judgment from any other court of the Commonwealth, for docketing and
 148 indexing a judgment in the new name of a judgment debtor pursuant to the provisions of § 8.01-451, but not
 149 when incident to a divorce, for noting and filing the assignment of a judgment pursuant to § 8.01-452, a fee of
 150 \$5; and for issuing an abstract of any recorded judgment, when proper to do so, a fee of \$5; and for filing,
 151 docketing, indexing and mailing notice of a foreign judgment, a fee of \$20.

152 18. For all services rendered by the clerk in any court proceeding for which no specific fee is provided by
 153 law, the clerk shall charge \$10, to be paid by the party filing said papers at the time of filing; however, this
 154 subdivision shall not be applicable in a divorce cause prior to and including the entry of a decree of divorce
 155 from the bond of matrimony.

156 19, 20. [Repealed.]

157 21. For making the endorsements on a forthcoming bond and recording the matters relating to such bond
 158 pursuant to the provisions of § 8.01-529, \$1.

159 22. For all services rendered by the clerk in any proceeding pursuant to § 57-8 or 57-15, \$10.

160 23. For preparation and issuance of a subpoena duces tecum, \$5.

161 24. For all services rendered by the clerk in matters under § 8.01-217 relating to change of name, \$20;
 162 however, this subdivision shall not be applicable in cases where the change of name is incident to a divorce.

163 25. For providing court records or documents on microfilm, per frame, \$0.50.

164 26. In all divorce and separate maintenance proceedings, and all civil actions that do not include one or
 165 more claims for the award of monetary damages, the clerk's fee chargeable to the plaintiff shall be \$60, \$10
 166 of which shall be apportioned to the Courts Technology Fund established under § 17.1-132 to be paid by the
 167 plaintiff at the time of instituting the suit, which shall include the furnishing of a duly certified copy of the
 168 final decree. The fees prescribed by this subdivision shall be charged upon the filing of a counterclaim or a
 169 claim impleading a third-party defendant. However, no fee shall be charged for (i) the filing of a cross-claim
 170 or setoff in any pending suit or (ii) the filing of a counterclaim or any other responsive pleading in any
 171 annulment, divorce, or separate maintenance proceeding. In divorce cases, when there is a merger of a
 172 divorce of separation a mensa et thoro into a decree of divorce a vinculo, the above mentioned fee shall
 173 include the furnishing of a duly certified copy of both such decrees.

174 27. For the acceptance of credit or debit cards in lieu of money to collect and secure all fees, including
 175 filing fees, fines, restitution, forfeiture, penalties and costs, the clerk shall collect from the person presenting
 176 such credit or debit card a reasonable convenience fee for the processing of such credit or debit card. Such
 177 convenience fee shall not exceed four percent of the amount paid for the transaction or a flat fee of \$2 per
 178 transaction. The clerk may set a lower convenience fee for electronic filing of civil or criminal proceedings
 179 pursuant to § 17.1-258.3. Nothing herein shall be construed to prohibit the clerk from outsourcing the
 180 processing of credit and debit card transactions to a third-party private vendor engaged by the clerk.
 181 Convenience fees shall be used to cover operational expenses as defined in § 17.1-295.

182 28. For the return of any check unpaid by the financial institution on which it was drawn or notice is
 183 received from the credit or debit card issuer that payment will not be made for any reason, the clerk may

184 collect a fee of \$50 or 10 percent of the amount of the payment, whichever is greater.

185 29. For all services rendered, except in cases in which costs are assessed pursuant to § 17.1-275.1,
186 17.1-275.2, 17.1-275.3, or 17.1-275.4, in an adoption proceeding, a fee of \$20, in addition to the fee imposed
187 under § 63.2-1246, to be paid by the petitioner or petitioners. For each petition for adoption filed pursuant to
188 § 63.2-1201, except those filed pursuant to subdivisions 4 and 5 of § 63.2-1210, an additional \$50 filing fee
189 as required under § 63.2-1201 shall be deposited in the Virginia Birth Father Registry Fund pursuant to
190 § 63.2-1249.

191 30. For issuing a duplicate license for one lost or destroyed as provided in § 29.1-334, a fee in the same
192 amount as the fee for the original license.

193 31. For the filing of any petition as provided in §§ 33.2-1023, 33.2-1024, and 33.2-1027, a fee of \$5 to be
194 paid by the petitioner; and for the recordation of a certificate or copy thereof, as provided for in § 33.2-1021,
195 as well as for any order of the court relating thereto, the clerk shall charge the same fee as for recording a
196 deed as provided for in this section, to be paid by the party upon whose request such certificate is recorded or
197 order is entered.

198 32. For making up, certifying and transmitting original record pursuant to the Rules of the Supreme Court,
199 including all papers necessary to be copied and other services rendered, except in cases in which costs are
200 assessed pursuant to § 17.1-275.1, 17.1-275.2, 17.1-275.3, 17.1-275.4, 17.1-275.7, 17.1-275.8, or 17.1-275.9,
201 a fee of \$20.

202 33. [Repealed.]

203 34. For filings, etc., under the Uniform Federal Lien Registration Act (§ 55.1-653 et seq.), the fees shall
204 be as prescribed in that Act.

205 35. [Repealed.]

206 36. For recordation of certificate and registration of names of nonresident owners in accordance with
207 § 59.1-74, a fee of \$10.

208 37. For maintaining the information required under the Overhead High Voltage Line Safety Act
209 (§ 59.1-406 et seq.), the fee as prescribed in § 59.1-411.

210 38. For lodging, indexing, and preserving a will in accordance with § 64.2-409, a fee of \$5.

211 39. For filing a financing statement in accordance with § 8.9A-505, the fee shall be as prescribed under §
212 8.9A-525.

213 40. For filing a termination statement in accordance with § 8.9A-513, the fee shall be as prescribed under
214 § 8.9A-525.

215 41. For filing assignment of security interest in accordance with § 8.9A-514, the fee shall be as prescribed
216 under § 8.9A-525.

217 42. For filing a petition as provided in §§ 64.2-2001 and 64.2-2013, the fee shall be \$10.

218 43. For issuing any execution, and recording the return thereof, a fee of \$1.50.

219 44. For the preparation and issuance of a summons for interrogation by an execution creditor, a fee of \$5.
220 If there is no outstanding execution, and one is requested herewith, the clerk shall be allowed an additional
221 fee of \$1.50, in accordance with subdivision A 44.

222 B. In accordance with § 17.1-281, the clerk shall collect fees under subdivisions A 7, A 13, A 16, A 18 if
223 applicable, A 20, A 22, A 24, A 26, A 29, and A 31 to be designated for courthouse construction, renovation
224 or maintenance.

225 C. In accordance with § 17.1-278, the clerk shall collect fees under subdivisions A 7, A 13, A 16, A 18 if
226 applicable, A 20, A 22, A 24, A 26, A 29, and A 31 to be designated for services provided for the poor,
227 without charge, by a nonprofit legal aid program.

228 D. In accordance with § 42.1-70, the clerk shall collect fees under subdivisions A 7, A 13, A 16, A 18 if
229 applicable, A 20, A 22, A 24, A 26, A 29, and A 31 to be designated for public law libraries.

230 E. All fees collected pursuant to subdivision A 27 and § 17.1-276 shall be deposited by the clerk into a
231 special revenue fund held by the clerk, which will restrict the funds to their statutory purpose.

232 F. The provisions of this section shall control the fees charged by clerks of circuit courts for the services
233 above described.

234 **§ 17.1-279. Additional fee to be assessed by circuit court clerks for information technology.**

235 A. In addition to the fees otherwise authorized by this chapter, the clerk of each circuit court shall assess a
236 ~~\$5~~ fee of \$8, known as the "Technology Trust Fund Fee," in each civil action, upon each instrument to be
237 recorded in the deed books, and upon each judgment to be docketed in the judgment lien docket book. Such
238 fee shall be deposited by the State Treasurer into a trust fund. The State Treasurer shall maintain a record of
239 such deposits.

240 B. ~~Four~~ Six dollars of every ~~\$5~~ eight-dollar fee shall be allocated by the Compensation Board from the
241 trust fund for the purposes of: (i) developing and updating *or funding studies to develop and update*
242 individual land records automation plans for individual circuit court clerks' offices; (ii) implementing
243 automation plans to modernize land records in individual circuit court clerks' offices and provide secure
244 remote access to land records throughout the Commonwealth pursuant to § 17.1-294; (iii) obtaining and
245 updating office automation and information technology equipment, including software and conversion

246 services; (iv) preserving, maintaining, and enhancing court records, including, ~~but not limited to,~~ the costs of
 247 repairs, maintenance, land records, consulting services, service contracts, redaction of social security numbers
 248 from land records, and system replacements or upgrades; and (v) improving public access to court records.
 249 The Compensation Board in consultation with circuit court clerks and other users of court records shall
 250 develop and update policies governing the allocation of funds for these purposes. However, such funds shall
 251 not be used for personnel costs within the circuit court clerks' offices. The Compensation Board policies
 252 governing the allocation of funds shall require that a clerk submit to the Compensation Board a written
 253 certification that the clerk's proposed technology improvements of his land records will provide secure
 254 remote access to those land records on or before July 1, 2008.

255 The annual budget submitted by each circuit court clerk pursuant to § 15.2-1636.7 may include a request
 256 for technology improvements in the upcoming fiscal year to be allocated by the Compensation Board from
 257 the trust fund. Such request shall not exceed the deposits into the trust fund credited to that locality. The
 258 Compensation Board shall allocate the funds requested by the clerks in an amount not to exceed the deposits
 259 into the trust fund credited to their respective localities.

260 C. The remaining ~~\$1~~ \$2 of each such fee may be allocated by the Compensation Board from the trust fund
 261 ~~(i) for the purposes of funding studies to develop and update individual land records automation plans for to~~
 262 ~~individual circuit court clerks' offices; at the request of and in consultation with the individual circuit court~~
 263 ~~clerk's offices; and (ii) for the purposes enumerated in subsection B to implement the plan to modernize land~~
 264 ~~records in individual circuit court clerks' offices and provide secure remote access to land records throughout~~
 265 ~~the Commonwealth.~~ The allocations pursuant to this subsection may give priority to those individual clerks'
 266 offices whose deposits into the trust fund would not be sufficient to implement its modernization plan. The
 267 Compensation Board policies governing the allocation of funds shall require that a clerk submit to the
 268 Compensation Board a written certification that the clerk's proposed technology improvements of his land
 269 records will provide secure remote access to those land records on or before July 1, 2008.

270 D. 1. Secure remote access to land records shall be by paid subscription service through individual circuit
 271 court clerk's offices pursuant to § 17.1-276, or through designated application service providers. The clerk
 272 may require any entity that is a nonresident of the Commonwealth, prior to becoming a subscriber, to
 273 demonstrate that such entity is authorized to do business in Virginia and is in good standing with the State
 274 Corporation Commission or other applicable state or federal regulatory agency and that such entity will
 275 comply with the secure remote access standards developed by the Virginia Information Technologies Agency
 276 pursuant to § 17.1-294. In the case of an individual, the clerk may require a person who is a nonresident of
 277 the Commonwealth to demonstrate that such person has a legal presence in Virginia and will comply with the
 278 secure remote access standards developed by the Virginia Information Technologies Agency pursuant to
 279 § 17.1-294. Compliance with secure remote access standards developed by the Virginia Information
 280 Technologies Agency pursuant to § 17.1-294 shall be certified by the individual circuit court clerks' offices to
 281 the Compensation Board. The individual circuit court clerk's office or its designated application service
 282 provider shall certify compliance with such secure remote access standards. Nothing in this section shall
 283 prohibit the clerk from entering into a subscriber agreement with an agency of the Commonwealth and
 284 delegating the responsibility for compliance with such secure remote access standards to such agency.
 285 Nothing in this section shall prohibit the Compensation Board from allocating trust fund money to individual
 286 circuit court clerks' offices for the purpose of complying with such secure remote access standards or
 287 redaction of social security numbers from land records.

288 2. Every circuit court clerk shall provide secure remote access to land records pursuant to § 17.1-294 on or
 289 before July 1, 2008.

290 E. Such fee shall not be assessed to any instrument to be recorded in the deed books nor any judgment to
 291 be docketed in the judgment lien docket books tendered by any federal, state, or local government.

292 F. If such an application includes automation or technology improvements that would require an interface
 293 with the case management system or the financial management system operated and maintained by the
 294 Executive Secretary of the Supreme Court for the purpose of providing electronic information to state
 295 agencies in accordance with § 17.1-502, the circuit court clerk, or the court's designated application service
 296 provider, shall certify to the Compensation Board that such automation or technology improvements will
 297 comply with the security and data standards of the systems operated and maintained by the Executive
 298 Secretary of the Supreme Court.

299 G. Information regarding the technology programs adopted by the circuit court clerks shall be shared with
 300 the Virginia Information Technologies Agency, The Library of Virginia, and the Office of the Executive
 301 Secretary of the Supreme Court.

302 H. Nothing in this section shall be construed to diminish the duty of local governing bodies to furnish
 303 supplies and equipment to the clerks of the circuit courts pursuant to § 15.2-1656. Revenue raised as a result
 304 of this section shall in no way supplant current funding to circuit court clerks' offices by local governing
 305 bodies.

306 I. Effective July 1, 2006, except for transfers pursuant to this section, there shall be no transfers out of the
 307 Technology Trust Fund, including transfers to the general fund.

§ 58.1-811. (Contingent expiration date — see note) Exemptions.

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

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

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

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

317 4. To the Virginia Division of the United Daughters of the Confederacy;

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

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

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

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

329 9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent
330 corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as
331 amended;

332 10. To a partnership or limited liability company, when the grantors are entitled to receive not less than 50
333 percent of the profits and surplus of such partnership or limited liability company, provided that the transfer
334 to a limited liability company is not a precursor to a transfer of control of the assets of the company to avoid
335 recordation taxes;

336 11. From a partnership or limited liability company, when the grantees are entitled to receive not less than
337 50 percent of the profits and surplus of such partnership or limited liability company, provided that the
338 transfer from a limited liability company is not subsequent to a transfer of control of the assets of the
339 company to avoid recordation taxes;

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

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

347 14. When it is a deed of partition, or any combination of deeds simultaneously executed and having the
348 effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or

349 15. When it is a deed transferring property pursuant to a decree of divorce or of separate maintenance or
350 pursuant to a written instrument incident to such divorce or separation.

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

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

353 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or
354 religious body, or given by a corporation mentioned in § 57-16.1;

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

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

359 5. Securing a loan made by an organization described in subdivision A 13;

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

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

365 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
366 not apply to any:

367 1. Transaction described in subdivisions A 6 through 12, 14, and 15;

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

369

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

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

374 5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other political
375 subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to
376 § 58.1-802 or subject to the fee under § 58.1-802.3 or 58.1-802.5; or

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

379 D. No recordation tax shall be required for the recordation of any deed of gift, *quitclaim deed*, or *deed to*
380 *correct a fraudulently recorded deed, including a deed of trust*, between a grantor or grantors and a grantee or
381 grantees when no consideration has passed between the parties. Such deed shall state therein that it is a deed
382 of gift, *quitclaim deed without consideration*, or *deed to correct a fraudulently recorded deed*.

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

385 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
386 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The Nature
387 Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy, where such
388 deed of gift or lease of real estate is intended to be used exclusively for the purpose of preserving wilderness,
389 natural, or open space areas.

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

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

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

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

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

409 **§ 58.1-811. (Contingent effective date — see note) Exemptions.**

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

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

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

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

419 4. To the Virginia Division of the United Daughters of the Confederacy;

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

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

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

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

431 9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent

432 corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as
433 amended;

434 10. To a partnership or limited liability company, when the grantors are entitled to receive not less than 50
435 percent of the profits and surplus of such partnership or limited liability company, provided that the transfer
436 to a limited liability company is not a precursor to a transfer of control of the assets of the company to avoid
437 recordation taxes;

438 11. From a partnership or limited liability company, when the grantees are entitled to receive not less than
439 50 percent of the profits and surplus of such partnership or limited liability company, provided that the
440 transfer from a limited liability company is not subsequent to a transfer of control of the assets of the
441 company to avoid recordation taxes;

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

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

449 14. Pursuant to any deed of partition, or any combination of deeds simultaneously executed and having
450 the effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or

451 15. Pursuant to any deed transferring property pursuant to a decree of divorce or of separate maintenance
452 or pursuant to a written instrument incident to such divorce or separation.

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

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

455 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or
456 religious body, or given by a corporation mentioned in § 57-16.1;

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

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

461 5. Securing a loan made by an organization described in subdivision A 13;

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

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

467 C. The tax imposed by § 58.1-802 shall not apply to any:

468 1. Transaction described in subdivisions A 6 through 12, 14, and 15;

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

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

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

474 5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other political
475 subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to
476 § 58.1-802; or

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

479 D. No recordation tax shall be required for the recordation of any deed of gift, *quitclaim deed*, or *deed to*
480 *correct a fraudulently recorded deed*, including a *deed of trust*, between a grantor or grantors and a grantee or
481 grantees when no consideration has passed between the parties. Such deed shall state therein that it is a deed
482 of gift, *quitclaim deed without consideration*, or *deed to correct a fraudulently recorded deed*.

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

485 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
486 to (i) any deed of gift conveying real estate or any interest therein to The Nature Conservancy or (ii) any lease
487 of real property or any interest therein to The Nature Conservancy, where such deed of gift or lease of real
488 estate is intended to be used exclusively for the purpose of preserving wilderness, natural, or open space
489 areas.

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

492 H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if
493 the release is contained within a single deed that performs more than one function, and at least one of the

494 other functions performed by the deed is subject to the recordation tax.

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

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

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

509 **2. That the Virginia Court Clerks Association shall collect data from each office of the clerk in each**
510 **circuit court in the Commonwealth on the total amount of local nonreverting fee revenue collected and**
511 **how such fee revenue is expended, including data and records on any expenses related to information**
512 **technology. The Compensation Board shall aggregate the data collected by the Virginia Court Clerks**
513 **Association and submit a report summarizing the information to the Chairs of the House Committee**
514 **on Appropriations and the Senate Committee on Finance and Appropriations by December 1, 2026.**