VLTA 2026 Virginia General Assembly Legislative Wrap-up

Description

Article by James Pickral

The 2026 session of the Virginia General Assembly convened on January 14th and adjourned on March 14th. The Commonwealthâ??s first female Governor was elected in November of 2025 giving Democrats control of both the Executive and Legislative branches of government. The Session and its aftermath were, and continue to be, rocky. While many priorities of the legislature and Governor were passed and became law, several priorities of the General Assembly were vetoed by the Governor. Additionally, as of this writing, there is no agreement on a new biennial budget for the Commonwealth. The constitution of Virginia mandates that a new budget be in place by June 30th. The budget stalemate centers on the issue of Virginiaâ??s sales and use tax exemption for data centers in the Commonwealth. The Senate wants to remove the exemption which would add an additional 1.7 billion dollars in revenue. The House of Delegates and the Governor want to maintain it. They are fearful that removing it before its 2035 expiration will harm future economic development.

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VLTA tracked and lobbied on numerous pieces of legislation during the 2026 session. Below are some of the more important bills and how they fared in the legislature.

HB 39 Duty of settlement agent; restrictive covenants.

Delegate Marcus Simon

Requires a settlement agent to:

- notify the purchaser of any residential real property of the purchaserâ??s right to remove a prohibited restrictive covenant that is contained in an instrument affecting the title of the property and disclosed as the result of the title search performed pursuant to the real estate transaction.

HB 39 passed the General Assembly unanimously and was signed into law by the Governor. The bill becomes effective on July 1 of this year.

HB 42 Posting of building permit; identification of mechanicsâ?? lien agent.

Delegate Marcus Simon

- Requires a building permit issued pursuant to the Uniform Statewide Building Code to be conspicuously and continuously posted on the property for which the permit is issued until all work is completed on the property.
- The bill further provides that no person may claim a lien or otherwise perfect and enforce a lien if such person fails to notify any mechanicsâ?? lien agent identified on such building permit.
- The bill requires a person performing labor or furnishing materials on which a building permit is not posted at the time he first performs his labor or first furnishes his material or, if posted, does

not state the name of the mechanicsâ?? lien agent, to determine whether a permit has been issued, the date on which it is issued, and the name of the mechanicsâ?? lien agent, if any, that has been appointed.
- Under current law, these specifications are limited to one or two-family dwelling units.

HB 42 was introduced at the request of VLTA. It ran into significant opposition from contractors and sub-contractors. As a result, we asked that the bill be continued until the 2027 session of the General Assembly to allow the interested parties to work on compromise language. The workgroup formed to do such will begin meeting in July.

HB 163 and SB 316 Notarization, filing, and recordation of certain land records; duties of notary or settlement agent; acknowledgement and satisfactory evidence of identity; requirements for commission or recommission of notary; clerk of circuit court to establish property alert notification system.

Delegate Marcus Simon

Senator Travis Hackworth

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- Removes personal knowledge of identity from the methods by which a notary public, electronic notary public, or other person authorized by law to perform a notarial act may identify an individual for purposes of performing a notarial act such as acknowledgement or affirmation.
- Under current law, the identity of an individual for such purpose may be established if such individual is personally known to the person performing the notarial act or by a presentation of satisfactory evidence of identity, as defined by law.
- The bill also adds a requirement that, within the six months immediately preceding the submission of his application, a person applying for commission to be a notary public or electronic notary public, or an existing notary public or electronic notary public applying for recommission, complete a course of instruction developed and approved by the Secretary of the Commonwealth.
- The bill specifies that one hour of such course of instruction shall be on the topic of real estate fraud and financial exploitation of elderly persons and shall include training on current trends on such topics and on recognizing instances of such fraud or financial exploitation.
- The bill directs the Secretary of the Commonwealth to develop the curricula for such courses of instruction by January 1, 2027, and has a delayed effective date of July 1, 2027, for those provisions related to the requirement that applicants for commission and recommission complete and present proof of completion of such courses of instruction.
- The bill also requires any clerk of a circuit court that has established a network or system of electronic filing of land records to also establish a property alert notification system for owners of real property within the circuit courtâ??s jurisdiction.
- The bill provides that an owner who enrolls his real property into such property alert notification system may do so at no cost and that such system shall send notifications to such owner when documents affecting or purporting to affect the enrolled property are filed with the clerkâ??s office.
- The provisions related to the establishment of the property alert notification system have a delayed effective date of July 1, 2027.
- Finally, the bill requires notaries public to keep a record of all notarial acts occurring on or after July 1, 2026, and to include in such record the form of satisfactory evidence of identification used to verify the identity of the principal and credible witnesses.
- Similarly, the bill requires settlement agents responsible for recording deeds, deeds of trust, or other documents relating to land records to obtain satisfactory evidence of identity of a seller of

real property prior to settlement.

HB 163 and SB 316 were the result of a workgroup established after the 2025 session of the General Assembly. Members of VLTA, the realtors, clerks of court, and notaries were all represented. The bill passed the General Assembly unanimously and was signed into law by the Governor. Several sections of the bill have a July 1, 2026 effective date and several arenâ??t effective until July, 2027.

HB 306 Wills and estates; claims to exempt property and allowances; title to real estate of a bona fide purchaser.

Delegate Karen Carnegie

- Directs that any election to take a family allowance, exempt property, or homestead allowance be made one year after the
  - time of admission of a decedentâ??s will to probate or
  - qualification of an administrator of the decedentâ??s intestate estate, whichever is later.
- Current law requires such election of exempt property or allowances to be made within one year of the decedentâ??s death.
- The bill also provides that the title to real estate of a bona fide purchaser acquired without notice of such election shall not be affected by such election unless such election is recorded in the appropriate circuit court clerkâ??s office within one year after the decedentâ??s death.

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HB 306 caused some initial concern to the industry. VLTA worked with the patron to produce a substitute bill which was passed by the General Assembly and signed by the Governor. The bill is effective on July 1.

HB 448 and SB 715 Land records; certain financing statements; recording and indexing fees.

Delegate Marcus Simon

Senator Creigh Deeds

- Sets forth the fees that a clerk of the circuit court shall charge for recording and indexing a multipurpose deed of trust or mortgage, described in the bill as a deed of trust or mortgage, whether or not commercial, that serves multiple purposes and contains two or more components that may serve as independent legal instruments for independent legal purposes.
- The bill provides that no clerk of a circuit court shall assess separate recording and indexing fees for such multipurpose deed of trust or mortgage unless the person presenting such document or instruments requests that such document or instruments be recorded and indexed in more than a single instance.
- The bill also provides that no recordation tax shall be required of a quitclaim deed or deed to correct a fraudulently recorded deed, including a deed of trust, between a grantor and grantee when no consideration has passed between the parties.

Both bills were broadly supported by VLTA and others. HB 448 passed the House unanimously but was unfortunately carried over until 2027 by Senate Finance and Appropriations due to concerns about its fiscal impact on Clerkâ??s offices. SB 715 suffered the same fate. It is widely assumed that the bills will be reintroduced in the 2027 session.

HB 752 Mechanicsâ?? liens; liens attaching to property; memorandum of lien.

Delegate Chris Runion

- Removes the exclusion of the attachment of a mechanicâ??s lien to property improved or repaired when the lien is based on a claim for repairs or existing structures.
- The bill further removes
  - the ability of a lien claimant to file any number of memoranda of lien including the details relating to the lien and
  - the provisions of the Code specifying that no memorandum filed shall include sums due for (a) labor or materials furnished more than 150 days prior to the last day labor was performed or (b) material furnished to the job preceding the filing of such memorandum.

HB 752 was brought forward by the general contractors. VLTA and others had significant concerns with the legislation. As a result, the bill was carried over until 2027 and will be part of the aforementioned workgroup which also contains HB 42.

SB 622 Title insurance; schedule of risk rates.

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Senator Dave Marsden

- Requires each title insurance company to publish its schedule of risk rates, including policies, endorsements, closing protection letter fees, any rate classifications or groupings, and any modifications or amendments.
- The bill prohibits a title insurance company or a title insurance agency or agent from charging a policy rate for a title insurance policy that exceeds those set forth in the title insurance companyâ??s published schedule of policy rates, with certain exceptions.
- Notwithstanding such prohibition, the bill permits a title insurance company or its agent to charge policy rates that it negotiates on policies insuring an owner-occupied primary residence in which a natural person or estate planning entity is in title.

Introduced at the request of several underwriters, SB 622 passed the Senate unanimously but failed to emerge from the Courts of Justice Committee in the House. The issues brought forward in the bill will be the subject of a Bureau of Insurance workgroup over the remainder of the year.



James Pickral
Founding Partner, has more than two decades of experience in government affairs- with a focus on legislative and regulatory health care issues. He has worked with clients in the economic development, renewable and alternative energy, and pharmaceutical industries. James previously served as Manager of State Government Affairs for Troutman Sanders Strategies and the Director of Policy for the Virginia Pharmacists Association. James spent three legislative sessions as Legislative Assistant to Delegate John Oâ??Bannon. James is a veteran of the United States Army, serving as an infantryman during Operations Desert Shield, Desert Storm and Provide Comfort. After his military service, James received his Bachelor of Arts in History from Virginia Commonwealth University. He is an active member of Saint Benedictâ??s Catholic Church and VFW Post 6364. He formerly served on St. Benedict Churchâ??s parish finance council and on the school board for Saint Benedict Catholic School. James and his wife have three daughters and live in Richmond.

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