Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 3/7/2025 10:34 AM **ORIGINAL**

Bill Number: HB2229ER **Patron:** Cousins
Bill Title: Virginia Residential Landlord and Tenant Act; material noncompliance by landlord; rent escrow; relief.

Bill Summary: **Removes** the requirement that, prior to the granting of any relief, a tenant shall pay into escrow any amount of rent called for under the rental agreement. The bill requires the tenant, during the pendency of the action, to pay into escrow the amount of rent that becomes due subsequent to the initial court date called for under the rental agreement within five days of the date due under such rental agreement, unless or until such amount is modified by a subsequent order of the court. The bill also provides that a failure of the tenant to make timely payments into escrow shall not be grounds for dismissal of the underlying action but may be considered by the court when issuing an order.

Budget Amendment Necessary: **No.** **Items Impacted:** **N/A**

Explanation: This bill involves the Department of Housing and Community Development (DHCD) and the Courts; however, no budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that any state fiscal impact that may result from this bill to DHCD can be absorbed within existing resources. Any fiscal impact that may result from this bill to the Courts is indeterminate.

Fiscal Analysis: The Department of Housing and Community Development has no oversight or administrative obligations regarding the Virginia Residential Landlord and Tenant Act. The department does update and publish on its website the Landlord Tenant Handbook. Any legislative changes made to the Act will be updated, but the department can do so using current resources.

Any impact to the Courts as a result of this bill is indeterminate, as it depends on the number of parties that pursue damages. Cumulatively, this bill and similar proposed legislation may result in a nonabsorbable impact to the Courts.

Other: None.