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SENATE BILL NO. 349

Offered January 14, 2026

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A *BILL to amend and reenact §§ 36-96.2, 55.1-1200, 55.1-1203, 55.1-1204, 55.1-1204.1, 55.1-1206, 55.1-1208, 55.1-1212, 55.1-1213, 55.1-1226, 55.1-1234, 55.1-1237, 55.1-1243.1, 55.1-1243.2, 55.1-1251, 55.1-1302, 55.1-1311, 55.1-1317, 56-1.2, and 56-245.3 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 55.1-1204.2, relating to Virginia Residential Landlord and Tenant Act; Manufactured Home Lot Rental Act; pre-tenancy fees.*

Patron—VanValkenburg

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 36-96.2, 55.1-1200, 55.1-1203, 55.1-1204, 55.1-1204.1, 55.1-1206, 55.1-1208, 55.1-1212, 55.1-1213, 55.1-1226, 55.1-1234, 55.1-1237, 55.1-1243.1, 55.1-1243.2, 55.1-1251, 55.1-1302, 55.1-1311, 55.1-1317, 56-1.2, and 56-245.3 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 55.1-1204.2 as follows:

§ 36-96.2. Exemptions.

A. Except as provided in subdivision A 3 of § 36-96.3 and subsections A, B, and C of § 36-96.6, this chapter shall not apply to any single-family house sold or rented by an owner, provided that such private individual does not own more than three single-family houses at any one time. In the case of the sale of any single-family house by a private individual-owner not residing in the house at the time of the sale or who was not the most recent resident of the house prior to sale, the exemption granted shall apply only with respect to one such sale within any 24-month period, provided that such bona fide private individual owner does not own any interest in, nor is there owned or reserved on his behalf, under any express or voluntary agreement, title to or any right to all or a portion of the proceeds from the sale or rental of, more than three such single-family houses at any one time. The sale or rental of any such single-family house shall be exempt from the application of this chapter only if the house is sold or rented (i) without the use in any manner of the sales or rental facilities or the sales or rental services of any real estate broker, agent, salesperson, or of the facilities or the services of any person in the business of selling or renting dwellings, or of any employee, independent contractor, or agent of any broker, agent, salesperson, or person and (ii) without the publication, posting, or mailing, after notice, of any advertisement or written notice in violation of this chapter. However, nothing herein shall prohibit the use of attorneys, escrow agents, abstractors, title companies, and other professional assistance as necessary to perfect or transfer the title. This exemption shall not apply to or inure to the benefit of any licensee of the Real Estate Board or regulant of the Fair Housing Board, regardless of whether the licensee is acting in his personal or professional capacity.

B. Except for subdivision A 3 of § 36-96.3, this chapter shall not apply to rooms or units in dwellings containing living quarters occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as his residence.

C. Nothing in this chapter shall prohibit a religious organization, association or society, or any nonprofit institution or organization operated, supervised, or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental, or occupancy of dwellings that it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preferences to such persons, unless membership in such religion is restricted on account of race, color, national origin, sex, elderliness, familial status, sexual orientation, gender identity, military status, or disability. Nor shall anything in this chapter apply to a private membership club not in fact open to the public, which as an incident to its primary purpose or purposes provides lodging that it owns or operates for other than a commercial purpose, from limiting the rental or occupancy of such lodgings to its members or from giving preference to its members. Nor, where matters of personal privacy are involved, shall anything in this chapter be construed to prohibit any private, state-owned, or state-supported educational institution, hospital, nursing home, or religious or correctional institution from requiring that persons of both sexes not occupy any single-family residence or room or unit of dwellings or other buildings, or restrooms in such room or unit in dwellings or other buildings, which it owns or operates.

D. Nothing in this chapter prohibits conduct against a person because such person has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined in federal law.

E. It shall not be unlawful under this chapter for any owner to deny or limit the rental of housing to

59 persons who pose a clear and present threat of substantial harm to others or to the dwelling itself.

60 F. A rental application may require disclosure by the applicant of any criminal convictions and the owner
 61 or managing agent may require as a condition of acceptance of the rental application that applicant consent in
 62 writing to a criminal record check to verify the disclosures made by applicant in the rental application. The
 63 owner or managing agent may collect from the applicant moneys to reimburse the owner or managing agent
 64 for the exact amount of the out-of-pocket costs for such criminal record checks. Nothing in this chapter shall
 65 require an owner or managing agent to rent a dwelling to an individual who, based on a prior record of
 66 criminal convictions involving harm to persons or property, would constitute a clear and present threat to the
 67 health or safety of other individuals.

68 G. Nothing in this chapter limits the applicability of any reasonable local, state or federal restriction
 69 regarding the maximum number of occupants permitted to occupy a dwelling. Owners or managing agents of
 70 dwellings may develop and implement reasonable occupancy and safety standards based on factors such as
 71 the number and size of sleeping areas or bedrooms and overall size of a dwelling unit so long as the standards
 72 do not violate local, state or federal restrictions. Nothing in this chapter prohibits the rental application or
 73 similar document from requiring information concerning the number, ages, sex and familial relationship of
 74 the applicants and the dwelling's intended occupants.

75 H. Nothing in this chapter shall prohibit a landlord from considering evidence of an applicant's status as a
 76 victim of family abuse, as defined in § 16.1-228, to mitigate any adverse effect of an otherwise qualified
 77 applicant's application pursuant to subsection ~~D~~ F of § 55.1-1203.

78 I. Nothing in this chapter shall prohibit an owner or an owner's managing agent from denying or limiting
 79 the rental or occupancy of a rental dwelling unit to a person because of such person's source of funds,
 80 provided that such owner does not own more than four rental dwelling units in the Commonwealth at the time
 81 of the alleged discriminatory housing practice. However, if an owner, whether individually or through a
 82 business entity, owns more than a 10 percent interest in more than four rental dwelling units in the
 83 Commonwealth at the time of the alleged discriminatory housing practice, the exemption provided in this
 84 subsection shall not apply.

85 J. It shall not be unlawful under this chapter for an owner or an owner's managing agent to deny or limit a
 86 person's rental or occupancy of a rental dwelling unit based on the person's source of funds for that unit if
 87 such source is not approved within 15 days of the person's submission of the request for tenancy approval.

88 **§ 55.1-1200. Definitions.**

89 As used in this chapter, unless the context requires a different meaning:

90 "Action" means any recoupment, counterclaim, setoff, or other civil action and any other proceeding in
 91 which rights are determined, including actions for possession, rent, unlawful detainer, unlawful entry, and
 92 distress for rent.

93 "Application deposit" means any *optional and* refundable deposit of money, however denominated,
 94 ~~including all money intended to be used as a security deposit under a rental agreement, or property,~~ that is
 95 paid by a tenant to a landlord for the purpose of being considered as a tenant for a dwelling unit.

96 "Application fee" means any nonrefundable fee that is paid by a tenant to a landlord or managing agent
 97 for the purpose of being considered as a tenant for a dwelling unit, *including fees associated with any*
 98 *background, credit, or other pre-occupancy check on the applicant.*

99 "Assignment" means the transfer by any tenant of all interests created by a rental agreement.

100 "Authorized occupant" means a person entitled to occupy a dwelling unit with the consent of the landlord,
 101 but who has not signed the rental agreement and therefore does not have the financial obligations as a tenant
 102 under the rental agreement.

103 "Building or housing code" means any law, ordinance, or governmental regulation concerning fitness for
 104 habitation or the construction, maintenance, operation, occupancy, use, or appearance of any structure or that
 105 part of a structure that is used as a home, residence, or sleeping place by one person who maintains a
 106 household or by two or more persons who maintain a common household.

107 "Commencement date of rental agreement" means the date upon which the tenant is entitled to occupy the
 108 dwelling unit as a tenant.

109 "Community land trust" means a community housing development organization whose board of directors
 110 is composed of tenants, corporate members who are not tenants, and any other category of persons specified
 111 in the bylaws of the organization and that:

- 112 1. Is not sponsored by a for-profit organization;
- 113 2. Acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;
- 114 3. Transfers ownership of any structural improvements located on such leased parcels to the tenant; and
- 115 4. Retains a preemptive option to purchase any such structural improvement at a price determined by
 116 formula that is designed to ensure that the improvement remains affordable to low-income and moderate-
 117 income families in perpetuity.

118 "Damage insurance" means a bond or commercial insurance coverage as specified in the rental agreement
 119 to secure the performance by the tenant of the terms and conditions of the rental agreement and to replace all
 120 or part of a security deposit.

121 "Dwelling unit" means a structure or part of a structure that is used as a home or residence by one or more
 122 persons who maintain a household, including a manufactured home, as defined in § 55.1-1300.

123 "Effective date of rental agreement" means the date on which the rental agreement is signed by the
 124 landlord and the tenant obligating each party to the terms and conditions of the rental agreement.

125 "Essential service" includes heat, running water, hot water, electricity, and gas.

126 "Facility" means something that is built, constructed, installed, or established to perform some particular
 127 function.

128 "Good faith" means honesty in fact in the conduct of the transaction concerned.

129 "Guest or invitee" means a person, other than the tenant or an authorized occupant, who has the
 130 permission of the tenant to visit but not to occupy the premises.

131 "Interior of the dwelling unit" means the inside of the dwelling unit, consisting of interior walls, floor, and
 132 ceiling, that enclose the dwelling unit as conditioned space from the outside air.

133 "Landlord" means the owner, lessor, or sublessor of the dwelling unit or the building of which such
 134 dwelling unit is a part. "Landlord" also includes a managing agent of the premises who fails to disclose the
 135 name of such owner, lessor, or sublessor. Such managing agent shall be subject to the provisions of
 136 § 16.1-88.03. "Landlord" does not include a community land trust.

137 "Managing agent" means the person authorized by the landlord to act as the property manager on behalf
 138 of the landlord pursuant to the written property management agreement.

139 "Mold remediation in accordance with professional standards" means mold remediation of that portion of
 140 the dwelling unit or premises affected by mold, or any personal property of the tenant affected by mold,
 141 performed consistent with guidance documents published by the U.S. Environmental Protection Agency, the
 142 U.S. Department of Housing and Urban Development, or the American Conference of Governmental
 143 Industrial Hygienists (Bioaerosols: Assessment and Control); Standard and Reference Guides of the Institute
 144 of Inspection, Cleaning and Restoration Certification (IICRC) for Professional Water Damage Restoration
 145 and Professional Mold Remediation; or any protocol for mold remediation prepared by an industrial hygienist
 146 consistent with such guidance documents.

147 "Multifamily dwelling unit" means more than one single-family dwelling unit located in a building.
 148 However, nothing in this definition shall be construed to apply to any nonresidential space in such building.

149 "Natural person," wherever the chapter refers to an owner as a "natural person," includes co-owners who
 150 are natural persons, either as tenants in common, joint tenants, tenants in partnership, tenants by the entirety,
 151 trustees or beneficiaries of a trust, general partnerships, limited liability partnerships, registered limited
 152 liability partnerships or limited liability companies, or any other lawful combination of natural persons
 153 permitted by law.

154 "Notice" means notice given in writing by either regular mail or hand delivery, with the sender retaining
 155 sufficient proof of having given such notice in the form of a certificate of service confirming such mailing
 156 prepared by the sender. However, a person shall be deemed to have notice of a fact if he has actual
 157 knowledge of it, he has received a verbal notice of it, or, from all of the facts and circumstances known to
 158 him at the time in question, he has reason to know it exists. A person "notifies" or "gives" a notice or
 159 notification to another by taking steps reasonably calculated to inform another person, whether or not the
 160 other person actually comes to know of it. If notice is given that is not in writing, the person giving the notice
 161 has the burden of proof to show that the notice was given to the recipient of the notice.

162 "Organization" means a corporation, government, governmental subdivision or agency, business trust,
 163 estate, trust, partnership, or association; two or more persons having a joint or common interest; any
 164 combination thereof; and any other legal or commercial entity.

165 "Owner" means one or more persons or entities, jointly or severally, including a mortgagee in possession,
 166 in whom is vested:

- 167 1. All or part of the legal title to the property; or
- 168 2. All or part of the beneficial ownership and a right to present use and enjoyment of the premises.

169 "Person" means any individual, group of individuals, corporation, partnership, business trust, association,
 170 or other legal entity, or any combination thereof.

171 "*Pet*" means an animal that has been adapted or tamed to live in intimate association with or for the
 172 pleasure of people, including dogs, cats, birds, rabbits, hamsters, and reptiles, and that is not a service dog,
 173 as defined in § 51.5-40.1, or assistance animal, as defined in § 36-96.1:1.

174 "*Pet deposit*" means any refundable deposit of money that is furnished by a tenant to a landlord to secure
 175 the performance of the terms and conditions of a rental agreement as a security for damages to the leased
 176 premises incurred by a pet that is authorized by the landlord to occupy the dwelling unit. A "*pet deposit*" does
 177 not include and is separate from a security deposit.

178 "Premises" means a dwelling unit and the structure of which it is a part, facilities and appurtenances
 179 contained therein, and grounds, areas, and facilities held out for the use of tenants generally or whose use is
 180 promised to the tenant.

181 "*Pre-tenancy fee*" means a fee or charge, whether designated as refundable or nonrefundable, that is
 182 charged to or collected from a prospective tenant by a landlord prior to or during execution of a rental

183 *agreement, including an application fee, an application deposit, an administrative or processing fee, a utility*
 184 *account set-up fee, a security deposit, a pet deposit, and a renewal fee.*

185 "Processing fee for payment of rent with bad check" means the processing fee specified in the rental
 186 agreement, not to exceed \$50, assessed by a landlord against a tenant for payment of rent with a check drawn
 187 by the tenant on which payment has been refused by the payor bank because the drawer had no account or
 188 insufficient funds.

189 "Readily accessible" means areas within the interior of the dwelling unit available for observation at the
 190 time of the move-in inspection that do not require removal of materials, personal property, equipment, or
 191 similar items.

192 "*Renewal fee*" means any fee charged by a landlord to a tenant upon the renewal of a rental agreement.

193 "Rent" means all money, other than a security deposit, owed or paid to the landlord under the rental
 194 agreement, including prepaid rent paid more than one month in advance of the rent due date.

195 "Rental agreement" or "lease agreement" means all rental agreements, written or oral, and valid rules and
 196 regulations adopted under § 55.1-1228 embodying the terms and conditions concerning the use and
 197 occupancy of a dwelling unit and premises.

198 "Rental application" means the written application or similar document used by a landlord to determine if
 199 a prospective tenant is qualified to become a tenant of a dwelling unit.

200 "Renter's insurance" means insurance coverage specified in the rental agreement that is a combination
 201 multi-peril policy containing fire, miscellaneous property, and personal liability coverage insuring personal
 202 property located in dwelling units not occupied by the owner.

203 "Residential tenancy" means a tenancy that is based on a rental agreement between a landlord and a tenant
 204 for a dwelling unit.

205 "Roomer" means a person occupying a dwelling unit that lacks a major bathroom or kitchen facility, in a
 206 structure where one or more major facilities are used in common by occupants of the dwelling unit and other
 207 dwelling units. "Major facility" in the case of a bathroom means a toilet and either a bath or shower and in the
 208 case of a kitchen means a refrigerator, stove, or sink.

209 "Security deposit" means any refundable deposit of money that is furnished by a tenant to a landlord *at the*
 210 *execution of the rental agreement* to secure the performance of the terms and conditions of a rental
 211 agreement, as a security for damages to the leased premises; ~~or as a pet deposit. However, such money shall~~
 212 ~~be deemed an application deposit until the commencement date of the rental agreement.~~ "Security deposit"
 213 does not include *a pet deposit or a damage insurance policy or renter's insurance policy*, as those terms are
 214 defined in § 55.1-1206, purchased by a landlord to provide coverage for a tenant.

215 "Single-family residence" means a structure, other than a multifamily residential structure, maintained and
 216 used as a single dwelling unit, condominium unit, or any other dwelling unit that has direct access to a street
 217 or thoroughfare and does not share heating facilities, hot water equipment, or any other essential facility or
 218 essential service with any other dwelling unit.

219 "Sublease" means the transfer by any tenant of any but not all interests created by a rental agreement.

220 "Tenant" means a person entitled only under the terms of a rental agreement to occupy a dwelling unit to
 221 the exclusion of others and includes a roomer. "Tenant" does not include (i) an authorized occupant, (ii) a
 222 guest or invitee, or (iii) any person who guarantees or cosigns the payment of the financial obligations of a
 223 rental agreement but has no right to occupy a dwelling unit.

224 "Tenant records" means all information, including financial, maintenance, and other records about a
 225 tenant or prospective tenant, whether such information is in written or electronic form or any other medium.

226 "Utility" means electricity, natural gas, or water and sewer provided by a public service corporation or
 227 such other person providing utility services as permitted under § 56-1.2. If the rental agreement so provides, a
 228 landlord may use submetering equipment or energy allocation equipment as defined in § 56-245.2 or a ratio
 229 utility billing system as defined in § 55.1-1212.

230 "Visible evidence of mold" means the existence of mold in the dwelling unit that is visible to the naked
 231 eye by the landlord or tenant in areas within the interior of the dwelling unit readily accessible at the time of
 232 the move-in inspection.

233 "Written notice" means notice given in accordance with § 55.1-1202, including any representation of
 234 words, letters, symbols, numbers, or figures, whether (i) printed in or inscribed on a tangible medium or (ii)
 235 stored in an electronic form or any other medium, retrievable in a perceivable form, and regardless of whether
 236 an electronic signature authorized by the Uniform Electronic Transactions Act (§ 59.1-479 et seq.) is affixed.

237 **§ 55.1-1203. Application; deposit, fee, and additional information.**

238 A. *Prior to requesting or collecting any payment or information about a prospective tenant and prior to*
 239 *exhibiting the dwelling unit to a prospective tenant, a landlord shall first notify the prospective tenant in*
 240 *writing or by posting in a manner accessible to a prospective tenant (i) the amount and purpose of any*
 241 *application fee or application deposit that may be charged to or collected from an applicant prior to*
 242 *execution of a rental agreement and whether such fee or deposit is optional or refundable; (ii) the amount*
 243 *and purpose of any administrative or processing fee, utility account set-up fee, security deposit, or pet deposit*
 244 *that may be charged to or collected from a tenant upon execution of a rental agreement and whether such fee*

245 or deposit is refundable; and (iii) the amount and purpose of any renewal fee or administrative or processing
 246 fee that may be charged to a tenant to renew the rental agreement and whether such fee is refundable.

247 B. No landlord shall charge any fee to a prospective tenant prior to exhibiting the dwelling unit to the
 248 prospective tenant. If a prospective tenant wishes to submit an application or execute a rental agreement
 249 before viewing the dwelling unit, the prospective tenant may waive the landlord's requirement to exhibit the
 250 dwelling unit pursuant to this subsection by signing a written agreement provided by the landlord.

251 C. Any landlord may require a ~~refundable~~ application fee and may provide applicants with the option
 252 of paying an application deposit ~~in addition to a nonrefundable application fee~~. Such deposit shall not exceed
 253 10 percent of one month of periodic rent. If the applicant fails to rent the unit for which application was
 254 made, from the application deposit the landlord shall refund to the applicant within ~~20~~ 15 days after the
 255 applicant's failure to rent the unit or the landlord's rejection of the application all sums ~~in excess of the~~
 256 ~~landlord's~~, less the actual expenses and damages incurred by the landlord in the application process that are
 257 directly attributable to the applicant, together with an itemized list of such expenses and damages. If,
 258 however, the application deposit was made by cash, certified check, cashier's check, or postal money order,
 259 such refund shall be made within 10 days of the applicant's failure to rent the unit if the failure to rent is due
 260 to the landlord's rejection of the application. If the landlord fails to comply with this section, the applicant
 261 may recover as damages suffered by him that portion of the application deposit wrongfully withheld and
 262 reasonable attorney fees.

263 ~~B. D.~~ A landlord may request that a prospective tenant provide information that will enable the landlord to
 264 determine whether each applicant may become a tenant. The landlord may photocopy each applicant's driver's
 265 license or other similar photo identification, containing either the applicant's social security number or control
 266 number issued by the Department of Motor Vehicles pursuant to § 46.2-342. However, a landlord shall not
 267 photocopy a U.S. government-issued identification so long as to do so is a violation of 18 U.S.C. § 701. The
 268 landlord may require, for the purpose of determining whether each applicant is eligible to become a tenant in
 269 the landlord's dwelling unit, that each applicant provide a social security number issued by the U.S. Social
 270 Security Administration or an individual taxpayer identification number issued by the U.S. Internal Revenue
 271 Service.

272 ~~C. E.~~ An application fee shall not exceed \$50, exclusive of any the actual out-of-pocket expenses paid by
 273 the landlord to a third party performing background, credit, or other pre-occupancy checks on the applicant.
 274 ~~However, where an application is being made for a dwelling unit that is a public housing unit or other~~
 275 ~~housing unit subject to regulation by the U.S. Department of Housing and Urban Development, an~~
 276 ~~application fee shall not exceed \$32, exclusive of any actual out-of-pocket expenses paid to a third party by~~
 277 ~~the landlord performing background, credit, or other pre-occupancy checks on the applicant A landlord shall~~
 278 ~~provide a receipt reflecting such expenses to the applicant.~~

279 ~~D. F.~~ A landlord shall consider evidence of an applicant's status as a victim of family abuse, as defined in
 280 § 16.1-228, to mitigate any adverse effect of an otherwise qualified applicant's low credit score. In order to
 281 establish the applicant's status as a victim of family abuse, an applicant may submit to the landlord (i) a letter
 282 from a sexual and domestic violence program, a housing counselor certified by the U.S. Department of
 283 Housing and Urban Development, or an attorney representing the applicant; (ii) a law-enforcement incident
 284 report; or (iii) a court order. If a landlord does not comply with this section, the applicant may recover actual
 285 damages, including all amounts paid to the landlord as an application fee, application deposit, or
 286 reimbursement for any of the landlord's out-of-pocket expenses that were charged to the prospective tenant,
 287 along with attorney fees.

288 G. No landlord shall charge or collect from a tenant any fee prior to the execution of a rental agreement
 289 that is not an application fee or application deposit. No landlord shall charge or collect from a tenant any fee
 290 at the time of the execution of a rental agreement that is not an administrative or processing fee, a utility
 291 account set-up fee, a security deposit, or a pet deposit.

292 **§ 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental agreement**
 293 **for tenant.**

294 A. A landlord and tenant may include in a rental agreement terms and conditions not prohibited by this
 295 chapter or other rule of law, including rent, charges for late payment of rent, the term of the agreement,
 296 automatic renewal of the rental agreement, requirements for notice of intent to vacate or terminate the rental
 297 agreement, and other provisions governing the rights and obligations of the parties.

298 B. A landlord shall offer a prospective tenant a written rental agreement containing the terms governing
 299 the rental of the dwelling unit and setting forth the terms and conditions of the landlord-tenant relationship
 300 and shall provide with it the statement of tenant rights and responsibilities developed by the Department of
 301 Housing and Community Development and posted on its website pursuant to § 36-139. The parties to a
 302 written rental agreement shall sign the form developed by the Department of Housing and Community
 303 Development and posted on its website pursuant to § 36-139 acknowledging that the tenant has received from
 304 the landlord the statement of tenant rights and responsibilities. The written rental agreement shall be effective
 305 upon the date signed by the parties.

306 If a tenant fails to sign the form available pursuant to this subsection, the landlord shall record the date or

307 dates on which he provided the form to the tenant and the fact that the tenant failed to sign such form.
308 Subsequent to the effective date of the tenancy, a landlord may, but shall not be required to, provide a tenant
309 with and allow such tenant an opportunity to sign the form described pursuant to this subsection. The form
310 shall be current as of the date of delivery.

311 C. If a landlord does not offer a written rental agreement, the tenancy shall exist by operation of law,
312 consisting of the following terms and conditions:

313 1. The provision of this chapter shall be applicable to the dwelling unit that is being rented;

314 2. The duration of the rental agreement shall be for 12 months and shall not be subject to automatic
315 renewal, except in the event of a month-to-month lease as otherwise provided for under subsection D of
316 § 55.1-1253;

317 3. Rent shall be paid in 12 equal periodic installments in an amount agreed upon by the landlord and the
318 tenant and if no amount is agreed upon, the installments shall be at fair market rent;

319 4. Rent payments shall be due on the first day of each month during the tenancy and shall be considered
320 late if not paid by the fifth of the month;

321 5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be entitled to
322 charge a late charge as provided in this chapter;

323 6. The landlord may collect a security deposit in an amount that does not exceed a total amount equal to
324 ~~two months~~ one month of rent; ~~and~~

325 7. *If a pet is occupying the dwelling unit, the landlord may collect a pet deposit; and*

326 8. The parties may enter into a written rental agreement at any time during the 12-month tenancy created
327 by this subsection.

328 D. Except as provided in the written rental agreement, or as provided in subsection C if no written
329 agreement is offered, rent shall be payable without demand or notice at the time and place agreed upon by the
330 parties. Except as provided in the written rental agreement, rent is payable at the place designated by the
331 landlord, and periodic rent is payable at the beginning of any term of one month or less and otherwise in
332 equal installments at the beginning of each month. If the landlord receives from a tenant a written request for
333 a written statement of charges and payments, he shall provide the tenant with a written statement showing all
334 debits and credits over the tenancy or the past 12 months, whichever is shorter. The landlord shall provide
335 such written statement within 10 business days of receiving the request.

336 E. A landlord shall not charge a tenant for late payment of rent unless such charge is provided for in the
337 written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10
338 percent of the remaining balance due and owed by the tenant.

339 F. Except as provided in the written rental agreement or, as provided in subsection C if no written
340 agreement is offered, the tenancy shall be week-to-week in the case of a tenant who pays weekly rent and
341 month-to-month in all other cases. Terminations of tenancies shall be governed by § 55.1-1253 unless the
342 rental agreement provides for a different notice period.

343 G. If the rental agreement contains any provision allowing the landlord to approve or disapprove a
344 sublessee or assignee of the tenant, the landlord shall, within 10 business days of receipt of the written
345 application of the prospective sublessee or assignee on a form to be provided by the landlord, approve or
346 disapprove the sublessee or assignee. Failure of the landlord to act within 10 business days is evidence of his
347 approval.

348 H. The landlord shall provide a copy of the signed written rental agreement and the statement of tenant
349 rights and responsibilities to the tenant within 10 business days of the effective date of the written rental
350 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect the
351 validity of the agreement. However, the landlord shall not file or maintain an action, including any summons
352 for unlawful detainer, against the tenant in a court of law for any alleged lease violation until he has provided
353 the tenant with the statement of tenant rights and responsibilities.

354 The landlord shall provide the tenant with an additional hard copy of such tenant's rental agreement once
355 per year upon request or shall maintain such rental agreement in an electronic format that can be easily
356 accessed by or shared with the tenant upon request. Any additional electronic copy of a tenant's rental
357 agreement provided pursuant to this subsection shall be provided by the landlord at no charge to the tenant.

358 I. No unilateral change in the terms of a rental agreement by a landlord or tenant shall be valid unless (i)
359 notice of the change is given in accordance with the terms of the rental agreement or as otherwise required by
360 law and (ii) both parties consent in writing to the change.

361 J. 1. The landlord shall provide the tenant with a written receipt, upon request from the tenant, whenever
362 the tenant pays rent in the form of cash or money order. No landlord shall charge a tenant any fee for the
363 collection or processing of any payment of rent, security deposit, *pet deposit*, or any other fees, unless the
364 landlord offers an alternative method of payment that does not include additional fees.

365 2. A landlord with four or fewer rental dwelling units, or up to a 10 percent interest in four or fewer rental
366 dwelling units, shall not be required to accept payment of periodic rent and any security deposit *or pet deposit*
367 by debit or credit card.

368 K. A landlord who owns more than four rental dwelling units or more than a 10 percent interest in more

369 than four rental dwelling units, whether individually or through a business entity, in the Commonwealth shall
 370 be required to provide written notice to any tenant who has the option to renew a rental agreement or whose
 371 rental agreement contains an automatic renewal provision of any increase in rent during the subsequent rental
 372 agreement term. Such landlord shall also provide written notice of nonrenewal to any tenant. Such notices
 373 shall be provided to the tenant no less than 60 days prior to the end of the rental agreement term. This
 374 subsection shall not apply to any periodic tenancy created pursuant to subsection C of § 55.1-1253.

375 *L. A landlord that charges an administrative or processing fee shall charge an amount equal to the actual*
 376 *cost of executing the rental agreement. Such costs shall only include the actual administrative expenses*
 377 *incurred by the landlord, his employees, or a third party.*

378 **§ 55.1-1204.1. Fee disclosure statement; fee prohibition.**

379 A landlord shall provide, beginning on the first page of the written rental agreement, an itemization of all
 380 charges to the tenant that comprise (i) the security deposit; (ii) *the pet deposit, if applicable*; (iii) the amount
 381 of rent due per payment period pursuant to the lease period; and ~~(iii)~~ (iv) any ~~additional one-time charges~~
 382 *pre-tenancy fees* due prior to the commencement date of the rental agreement or that will be included in the
 383 first rental payment. Immediately above the itemized list of charges, the written rental agreement shall state:
 384 No additional security deposits or rent shall be charged unless they are listed below or incorporated into this
 385 agreement by way of a separate addendum after execution of this rental agreement.

386 **§ 55.1-1204.2. Certain renewal fees and administrative fees prohibited.**

387 *A. No landlord shall charge a renewal fee or administrative or processing fee to a tenant prior to the*
 388 *execution of a subsequent rental agreement unless (i) a change to the terms and conditions of the subsequent*
 389 *rental agreement is requested by the tenant in writing, (ii) such a fee is necessary to cover the actual cost of*
 390 *implementing the changes proposed by the tenant, and (iii) the change is agreed to by the landlord in writing.*
 391 *Such changes may include:*

- 392 1. Adding or removing tenants;
- 393 2. Adding or removing co-signers;
- 394 3. Adding or removing pets;
- 395 4. Changing provisions related to subleasing;
- 396 5. Changing terms of the agreement, including effective and termination dates and automatic renewal; or
- 397 6. Changing any other terms and conditions of a rental agreement as such terms and conditions are

398 *permitted pursuant to this chapter.*
 399 *If a change to the terms and conditions of the subsequent rental agreement is proposed by the landlord,*
 400 *no renewal fee shall be charged to the tenant.*

401 *B. A landlord that charges a fee pursuant to subsection A shall charge an amount equal to the actual cost*
 402 *of implementing the changes to the terms and conditions of a rental agreement. Such costs shall only include*
 403 *the actual expenses and damages incurred in the application process pursuant to § 55.1-1203 and actual*
 404 *administrative expenses incurred by the landlord, his employees, or a third party.*

405 **§ 55.1-1206. Landlord may obtain certain insurance for tenant.**

406 *A. A landlord may require as a condition of tenancy that a tenant have damage insurance and pay for the*
 407 *cost of premiums. As provided in § 55.1-1200, such payments shall not be deemed a security deposit, but*
 408 *shall be rent. However, as provided in § 55.1-1208, the landlord shall not require a tenant to pay both a*
 409 *security deposit and the cost of damage insurance premiums if the total amount of any security deposit and*
 410 *damage insurance premiums exceeds the amount of ~~two months'~~ one month of periodic rent. The landlord*
 411 *shall notify a tenant in writing that the tenant has the right to obtain a separate policy from the landlord's*
 412 *policy for damage insurance. If a tenant elects to obtain a separate policy, the tenant shall submit to the*
 413 *landlord written proof of such coverage and shall maintain such coverage at all times during the term of the*
 414 *rental agreement. Where a landlord obtains damage insurance coverage on behalf of a tenant, the insurance*
 415 *policy shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the*
 416 *actual costs of such insurance coverage and may recover administrative or other fees associated with*
 417 *administration of a damage insurance policy, including a tenant opting out of the insurance coverage*
 418 *provided by the landlord pursuant to this subsection. If a landlord obtains damage insurance for his tenants,*
 419 *the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the*
 420 *insurance policy or certificate evidencing the coverage being provided and upon request of the tenant make*
 421 *available a copy of the insurance policy. For a tenant that opts out of the landlord's damage insurance*
 422 *program, the landlord shall allow such tenant to either provide their own damage insurance policy or pay the*
 423 *full security deposit.*

424 *B. A landlord may require as a condition of tenancy that a tenant have renter's insurance as specified in*
 425 *the rental agreement. A landlord may require a tenant to pay for the cost of premiums for such renter's*
 426 *insurance obtained by the landlord, in order to provide such coverage for the tenant as part of rent or as*
 427 *otherwise provided in this section. As provided in § 55.1-1200, such payments shall not be deemed a security*
 428 *deposit but shall be rent. The landlord shall notify a tenant in writing that the tenant has the right to obtain a*
 429 *separate policy from the landlord's policy for renter's insurance. If a tenant elects to obtain a separate policy,*
 430 *the tenant shall submit to the landlord written proof of such coverage and shall maintain such coverage at all*

431 times during the term of the rental agreement. If a tenant allows his renter's insurance policy required by the
 432 rental agreement to lapse for any reason, the landlord may provide any landlord's renter's insurance coverage
 433 to such tenant. The tenant shall be obligated to pay for the cost of premiums for such insurance as rent or as
 434 otherwise provided herein until the tenant has provided written documentation to the landlord showing that
 435 the tenant has reinstated his own renter's insurance coverage.

436 C. If the landlord requires that such premiums be paid to the landlord prior to the commencement of the
 437 tenancy, the total amount of all security deposits, insurance premiums for damage insurance, and insurance
 438 premiums for renter's insurance shall not exceed the amount of ~~two months'~~ *one month of* periodic rent.
 439 However, the landlord shall be permitted to add a monthly amount as additional rent to recover additional
 440 costs of renter's insurance premiums.

441 D. Where a landlord obtains renter's insurance coverage on behalf of a tenant, the insurance policy shall
 442 provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs of
 443 such insurance coverage and may recover administrative or other fees associated with the administration of a
 444 renter's insurance program, including a tenant opting out of the insurance coverage provided to the tenant
 445 pursuant to this subsection. If a landlord obtains renter's insurance for his tenants, the landlord shall provide
 446 to each tenant, prior to execution of the rental agreement, a summary of the insurance policy prepared by the
 447 insurer or certificate evidencing the coverage being provided and upon request of the tenant make available a
 448 copy of the insurance policy. Such summary or certificate shall include a statement regarding whether the
 449 insurance policy contains a waiver of subrogation provision. Any failure of the landlord to provide such
 450 summary or certificate, or to make available a copy of the insurance policy, shall not affect the validity of the
 451 rental agreement.

452 If the rental agreement does not require the tenant to obtain renter's insurance, the landlord shall provide a
 453 written notice to the tenant, prior to the execution of the rental agreement, stating that (i) the landlord is not
 454 responsible for the tenant's personal property, (ii) the landlord's insurance coverage does not cover the
 455 tenant's personal property, and (iii) if the tenant wishes to protect his personal property, he should obtain
 456 renter's insurance. The notice shall inform the tenant that any such renter's insurance obtained by the tenant
 457 does not cover flood damage and advise the tenant to contact the Federal Emergency Management Agency
 458 (FEMA) or visit the websites for FEMA's National Flood Insurance Program or for the Virginia Department
 459 of Conservation and Recreation's Flood Risk Information System to obtain information regarding whether the
 460 property is located in a special flood hazard area. Any failure of the landlord to provide such notice shall not
 461 affect the validity of the rental agreement. If the tenant requests translation of the notice from the English
 462 language to another language, the landlord may assist the tenant in obtaining a translator or refer the tenant to
 463 an electronic translation service. In doing so, the landlord shall not be deemed to have breached any of his
 464 obligations under this chapter or otherwise become liable for any inaccuracies in the translation. The landlord
 465 shall not charge a fee for such assistance or referral.

466 E. Nothing in this section shall be construed to prohibit the landlord from recovering from the tenant, as
 467 part of the rent, the tenant's prorated share of the actual costs of other insurance coverages provided by the
 468 landlord relative to the premises, or the tenant's prorated share of a self-insurance program held in an escrow
 469 account by the landlord, including the landlord's administrative or other fees associated with the
 470 administration of such coverages. The landlord may apply such funds held in escrow to pay claims pursuant
 471 to the landlord's self-insurance plan.

472 **§ 55.1-1208. Prohibited provisions in rental agreements.**

473 A. A rental agreement shall not contain provisions that the tenant:

- 474 1. Agrees to waive or forgo rights or remedies under this chapter;
- 475 2. Agrees to waive or forgo rights or remedies pertaining to the 120-day conversion or rehabilitation
 476 notice required in the Virginia Condominium Act (§ 55.1-1900 et seq.) or the Virginia Real Estate
 477 Cooperative Act (§ 55.1-2100 et seq.) or under § 55.1-1410;
- 478 3. Authorizes any person to confess judgment on a claim arising out of the rental agreement;
- 479 4. Agrees to pay the landlord's attorney fees except as provided in this chapter;
- 480 5. Agrees to the exculpation or limitation of any liability of the landlord to the tenant arising under law or
 481 to indemnify the landlord for that liability or any associated costs;
- 482 6. Agrees as a condition of tenancy in public housing to a prohibition or restriction of any lawful
 483 possession of a firearm within individual dwelling units unless required by federal law or regulation;
- 484 7. Agrees to the payment of a security deposit, insurance premiums for damage insurance, and insurance
 485 premiums for renter's insurance prior to the commencement of the tenancy that exceed the amount of ~~two~~
 486 ~~months'~~ *one month of* periodic rent; ~~or~~
- 487 8. *Agrees to the payment of a pet deposit in cases where no pet will occupy the dwelling unit during the*
 488 *tenancy;*
- 489 9. *Agrees to hire or pay for a professional service, including professional cleaning, painting, and trash*
 490 *removal, upon conclusion of the rental agreement; or*
- 491 10. Agrees to waive remedies or rights under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901 et
 492 seq., prior to the occurrence of a dispute between landlord and tenant. Execution of leases shall not be

493 contingent upon the execution of a waiver of rights under the Servicemembers Civil Relief Act; however,
 494 upon the occurrence of any dispute, the landlord and tenant may execute a waiver of such rights and remedies
 495 as to that dispute in order to facilitate a resolution.

496 B. Any provision prohibited by subsection A that is included in a rental agreement is unenforceable. If a
 497 landlord brings an action to enforce any such provision, the tenant may recover actual damages sustained by
 498 him and reasonable attorney fees.

499 C. If the landlord is a public housing authority, the landlord shall not require a tenant to pay any fee for
 500 the maintenance or repair of any dwelling unit unless the repair is necessitated by the tenant's action or
 501 omission.

502 **§ 55.1-1212. Energy submetering, energy allocation equipment, sewer and water submetering**
 503 **equipment, and ratio utility billing systems; local government fees.**

504 A. As used in this section:

505 "Energy allocation equipment" means the same as that term is defined in § 56-245.2.

506 "Energy submetering equipment" has the same meaning ascribed to "submetering equipment" in
 507 § 56-245.2.

508 "Local government fees" means any local government charges or fees assessed against a residential
 509 building, including charges or fees for stormwater, recycling, trash collection, elevator testing, fire or life
 510 safety testing, or residential rental inspection programs.

511 "Ratio utility billing system" means a program that utilizes a mathematical formula for allocating, among
 512 the tenants in a residential building, the actual or anticipated water, sewer, electrical, oil, or natural gas
 513 billings billed to the residential building owner from a third-party provider of the utility service. Permitted
 514 allocation methods may include formulas based on square footage, occupancy, number of bedrooms, or some
 515 other specific method agreed to by the residential building owner and the tenant in the rental agreement or
 516 lease.

517 "Residential building" means all of the individual units served through the same utility-owned meter
 518 within a residential building that is defined in § 56-245.2 as an apartment building or house or all of the
 519 individual dwelling units served through the same utility-owned meter within a manufactured home park as
 520 defined in § 55.1-1300.

521 "Water and sewer submetering equipment" means equipment used to measure actual water or sewer usage
 522 in any residential building when such equipment is not owned or controlled by the utility or other provider of
 523 water or sewer service that provides service to the residential building.

524 B. Energy submetering equipment, energy allocation equipment, water and sewer submetering equipment,
 525 or a ratio utility billing system may be used in a residential building if clearly stated in the rental agreement
 526 or lease for the residential building. All energy submetering equipment and energy allocation equipment shall
 527 meet the requirements and standards established and enforced by the State Corporation Commission pursuant
 528 to § 56-245.3.

529 C. If energy submetering equipment, energy allocation equipment, or water and sewer submetering
 530 equipment is used in any residential building, the owner, manager, or operator of such residential building
 531 shall bill the tenant for electricity, oil, natural gas, or water and sewer for the same billing period as the utility
 532 serving the residential building, unless the rental agreement or lease expressly provides otherwise. The
 533 owner, manager, or operator of such residential building may charge and collect from the tenant additional
 534 service charges, including monthly billing fees, account set-up fees, or account move-out fees, to cover the
 535 actual costs of administrative expenses and billing charged to the residential building owner, manager, or
 536 operator by a third-party provider of such services, provided that such charges are agreed to by the residential
 537 building owner and the tenant in the rental agreement or lease. The residential building owner may require
 538 the tenant to pay a late charge of up to \$5 if the tenant fails to make payment when due, which shall not be
 539 less than 15 days following the date of mailing or delivery of the bill sent pursuant to this section.

540 D. If a ratio utility billing system is used in any residential building, in lieu of increasing the rent, the
 541 owner, manager, or operator of such residential building may employ such a program that utilizes a
 542 mathematical formula for allocating, among the tenants in a residential building, the actual or anticipated
 543 water, sewer, electrical, oil, or natural gas billings billed to the residential building owner from a third-party
 544 provider of the utility service. The owner, manager, or operator of the residential building may charge and
 545 collect from the tenant additional service charges, including monthly billing fees, account set-up fees, or
 546 account move-out fees, to cover the actual costs of administrative expenses and billings charged to the
 547 residential building owner, manager, or operator by a third-party provider of such services, provided that such
 548 charges are agreed to by the residential building owner and the tenant in the rental agreement or lease. The
 549 residential building owner may require the tenant to pay a late charge of up to \$5 if the tenant fails to make
 550 payment when due, which shall not be less than 15 days following the date of mailing or delivery of the bill
 551 sent pursuant to this section. The late charge shall be deemed rent (i) as defined in § 55.1-1200 if a ratio
 552 utility billing system is used in a residential multifamily dwelling unit subject to this chapter or (ii) as defined
 553 in § 55.1-1300 if a ratio utility billing system is used in a manufactured home park subject to the
 554 Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.).

555 E. Energy allocation equipment shall be tested periodically by the owner, manager, or operator of the
 556 residential building. Upon the request by a tenant, the owner shall test the energy allocation equipment
 557 without charge. The test conducted without charge to the tenant shall not be conducted more frequently than
 558 once in a 24-month period for the same tenant. The tenant or his designated representative may be present
 559 during the testing of the energy allocation equipment. A written report of the results of the test shall be made
 560 to the tenant within 10 working days after the completion of the test.

561 F. The owner of any residential building shall maintain adequate records regarding energy submetering
 562 equipment, energy allocation equipment, water and sewer submetering equipment, or a ratio utility billing
 563 system. A tenant may inspect and copy the records for the leased premises during reasonable business hours
 564 at a convenient location within or serving the residential building. The owner of the residential building may
 565 impose and collect a reasonable charge for copying documents, reflecting the actual costs of materials and
 566 labor for copying, prior to providing copies of the records to the tenant.

567 G. Notwithstanding any enforcement action undertaken by the State Corporation Commission pursuant to
 568 its authority under § 56-245.3, tenants and owners shall retain any private right of action resulting from any
 569 breach of the rental agreement or lease terms required by this section or § 56-245.3, if applicable, to the same
 570 extent as such actions may be maintained for breach of other terms of the rental agreement or lease under this
 571 chapter, if applicable. The use of energy submetering equipment, energy allocation equipment, water and
 572 sewer submetering equipment, or a ratio utility billing system is not within the jurisdiction of the Department
 573 of Agriculture and Consumer Services under Chapter 56 (§ 3.2-5600 et seq.) of Title 3.2.

574 H. In lieu of increasing the rent, the owner, manager, or operator of a residential building may employ a
 575 program that utilizes a mathematical formula for allocating the actual or anticipated local government fees
 576 billed to the residential building owner among the tenants in such residential building if clearly stated in the
 577 rental agreement or lease. Permitted allocation methods may include formulas based upon square footage,
 578 occupancy, number of bedrooms, or some other specific method agreed to by the residential building owner
 579 and the tenant in the rental agreement or lease. Such owner, manager, or operator of a residential building
 580 may also charge and collect from each tenant additional service charges, including monthly billing fees,
 581 account set-up fees, or account move-out fees, to cover the actual costs of administrative expenses for
 582 administration of such a program, *provided that such charges are agreed to by the residential building owner*
 583 *and the tenant in the rental agreement or lease.* If the building is residential and is subject to (i) this chapter,
 584 such local government fees and administrative expenses shall be deemed to be rent as defined in § 55.1-1200
 585 or (ii) the Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.), such local government fees and
 586 administrative expenses shall be deemed to be rent as defined in § 55.1-1300.

587 I. Nothing in this section shall be construed to ~~prohibit~~ *allow* an owner, manager, or operator of a
 588 residential building ~~from including to charge a tenant for~~ water, sewer, electrical, natural gas, oil, or other
 589 utilities ~~in the amount of rent as specified in the rental agreement or lease if the utility is supplied directly to~~
 590 *the tenant.*

591 **§ 55.1-1213. Transfer of deposits upon purchase.**

592 The current owner of rental property shall transfer any security deposits *or pet deposits* and any accrued
 593 interest on the deposits in his possession to the new owner at the time of the transfer of the rental property. If
 594 the current owner has entered into a written property management agreement with a managing agent in
 595 accordance with the provisions of subsection E of § 54.1-2135, the current owner shall give written notice to
 596 the managing agent requesting payment of such security deposits to the current owner prior to settlement with
 597 the new owner. Upon receipt of the written notice, the managing agent shall transfer the security deposits *and*
 598 *pet deposits* to the current owner and provide written notice to each tenant that his security deposit *and, if*
 599 *applicable, pet deposit* has been transferred to the new owner in accordance with this section.

600 **§ 55.1-1226. Security deposits; pet deposits.**

601 A. 1. No landlord may demand or receive a security deposit, however denominated, in an amount or value
 602 in excess of ~~two months'~~ *one month of* periodic rent. Upon termination of the tenancy or the date the tenant
 603 vacates the dwelling unit, whichever occurs last, such security deposit, whether it is property or money held
 604 by the landlord as security as provided in this section, may be applied by the landlord solely to (i) the
 605 payment of accrued rent, including the reasonable charges for late payment of rent specified in the rental
 606 agreement; (ii) the payment of the amount of damages that the landlord has suffered by reason of the tenant's
 607 noncompliance with § 55.1-1227, less reasonable wear and tear; (iii) other damages or charges as provided in
 608 the rental agreement; or (iv) actual damages for breach of the rental agreement pursuant to § 55.1-1251. *No*
 609 *amount of such security deposit may be applied by the landlord toward (a) the cost of professional services*
 610 *or (b) the cost of materials and labor performed by the landlord or an employee of the landlord, unless such*
 611 *costs are (1) reasonably necessary to return the premises to the same condition as the condition of the*
 612 *premises at the start of the rental agreement, less reasonable wear and tear, and (2) the landlord provides a*
 613 *receipt reflecting such costs to the tenant.* The security deposit and any deductions, damages, and charges
 614 shall be itemized by the landlord in a written notice given to the tenant, together with any amount due to the
 615 tenant, within ~~45~~ *30* days after the termination date of the tenancy or the date the tenant vacates the dwelling
 616 unit, whichever occurs last. As of the date of the termination of the tenancy or the date the tenant vacates the

617 dwelling unit, whichever occurs last, the tenant shall be required to deliver possession of the dwelling unit to
 618 the landlord. If the termination date is prior to the expiration of the rental agreement or any renewal thereof,
 619 or the tenant has not given proper notice of termination of the rental agreement, the tenant shall be liable for
 620 actual damages pursuant to § 55.1-1251, in which case, the landlord shall give written notice of security
 621 deposit disposition within the ~~45-day~~ 30-day period but may retain any security balance to apply against any
 622 financial obligations of the tenant to the landlord pursuant to this chapter or the rental agreement. If the tenant
 623 fails to vacate the dwelling unit as of the termination of the tenancy, the landlord may file an unlawful
 624 detainer action pursuant to § 8.01-126.

625 2. A landlord may demand or receive a pet deposit from a tenant only if a pet is occupying the dwelling
 626 unit. Upon termination of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last,
 627 such pet deposit may be applied by the landlord solely to the payment of the amount of actual damages that
 628 the landlord has suffered by reason of the pet occupying the dwelling unit, less reasonable wear and tear. No
 629 amount of such pet deposit may be applied by the landlord toward (i) the cost of professional services or (ii)
 630 the cost of materials and labor performed by the landlord or an employee of the landlord, unless such costs
 631 are (a) reasonably necessary to return the premises to the same condition as the condition of the premises at
 632 the start of the rental agreement, less reasonable wear and tear, and (b) the landlord provides a receipt
 633 reflecting such costs to the tenant. The pet deposit and any deductions, damages, and charges shall be
 634 itemized by the landlord in a written notice given to the tenant, together with any amount due to the tenant,
 635 within 30 days after the termination date of the tenancy or the date the tenant vacates the dwelling unit,
 636 whichever occurs last.

637 B. Where there is more than one tenant subject to a rental agreement, unless otherwise agreed to in writing
 638 by each of the tenants, (i) disposition of the security deposit shall be made with one check being payable to
 639 all such tenants and sent to a forwarding address provided by one of the tenants and (ii) if applicable,
 640 disposition of the pet deposit shall be made with a second check in the same manner. The landlord shall make
 641 the security deposit disposition such dispositions within the ~~45-day~~ 30-day time period required by subsection
 642 A, but if no forwarding address is provided to the landlord, the landlord may continue to hold such security
 643 deposit deposits in escrow. If a tenant fails to provide a forwarding address to the landlord to enable the
 644 landlord to make a refund of the security deposit or the pet deposit, upon the expiration of one year from the
 645 date of the end of the ~~45-day~~ 30-day time period, the landlord may remit such ~~sum~~ sums to the State
 646 Treasurer as unclaimed property on a form prescribed by the administrator that includes the name; social
 647 security number, if known; and last known address of each tenant on the rental agreement. If the landlord or
 648 managing agent is a real estate licensee, compliance with this subsection shall be deemed compliance with
 649 § 54.1-2108 and corresponding regulations of the Real Estate Board.

650 C. Nothing in this section shall be construed by a court of law or otherwise as entitling the tenant, upon
 651 the termination of the tenancy, to an immediate credit against the tenant's delinquent rent account in the
 652 amount of the security deposit or, if applicable, the pet deposit. The landlord shall apply the security deposit
 653 and the pet deposit in accordance with this section within the ~~45-day~~ 30-day time period required by
 654 subsection A. However, provided that the landlord has given prior written notice in accordance with this
 655 section, the landlord may withhold a reasonable portion of the security deposit to cover an amount of the
 656 balance due on the water, sewer, or other utility account that is an obligation of the tenant to a third-party
 657 provider under the rental agreement for the dwelling unit, and upon payment of such obligations the landlord
 658 shall provide written confirmation to the tenant within 10 days, along with payment to the tenant of any
 659 balance otherwise due to the tenant. In order to withhold such funds as part of the disposition of the security
 660 deposit, the landlord shall have so advised the tenant of his rights and obligations under this section in (i) a
 661 termination notice to the tenant in accordance with this chapter, (ii) a written notice to the tenant confirming
 662 the vacating date in accordance with this section, or (iii) a separate written notice to the tenant at least 15 days
 663 prior to the disposition of the security deposit. Any written notice to the tenant shall be given in accordance
 664 with § 55.1-1202.

665 The tenant may provide the landlord with written confirmation of the payment of the final water, sewer, or
 666 other utility bill for the dwelling unit, in which case the landlord shall refund the security deposit, unless there
 667 are other authorized deductions, within the ~~45-day~~ 30-day period required by subsection A. If the tenant
 668 provides such written confirmation after the expiration of the ~~45-day~~ 30-day period, the landlord shall refund
 669 any remaining balance of the security deposit held to the tenant within 10 days following the receipt of such
 670 written confirmation provided by the tenant. If the landlord otherwise receives confirmation of payment of
 671 the final water, sewer, or other utility bill for the dwelling unit, the landlord shall refund the security deposit,
 672 unless there are other authorized deductions, within the ~~45-day~~ 30-day period.

673 D. Nothing in this section shall be construed to prohibit the landlord from making the disposition of the
 674 security deposit or, if applicable, the pet deposit prior to the ~~45-day~~ 30-day period required by subsection A
 675 and charging an administrative fee to the tenant for such expedited processing, if the rental agreement so
 676 provides and the tenant requests expedited processing in a separate written document.

677 E. The landlord shall notify the tenant in writing of any deductions provided by this section to be made
 678 from the tenant's security deposit or, if applicable, pet deposit during the course of the tenancy. Such

679 notification shall be made within ~~30~~ 15 days of the date of the determination of the deduction and shall
 680 itemize the reasons in the same manner as provided in subsection F. No such notification shall be required for
 681 deductions made less than ~~30~~ 15 days prior to the termination of the rental agreement. If the landlord willfully
 682 fails to comply with this section, the court shall order the return of the security deposit *or, if applicable, the*
 683 *pet deposit* to the tenant, together with actual damages and reasonable attorney fees, unless the tenant owes
 684 rent to the landlord, in which case the court shall order an amount equal to the security deposit credited
 685 against the rent due to the landlord. In the event that damages to the premises exceed the amount of the
 686 security deposit and require the services of a third-party contractor, the landlord shall give written notice to
 687 the tenant advising him of that fact within the ~~45-day~~ 30-day period required by subsection A. *In the event*
 688 *that damages to the premises incurred by a pet occupying the dwelling unit exceed the amount of the pet*
 689 *deposit, the landlord shall deduct the difference from the security deposit and give written notice to the tenant*
 690 *advising him of that fact within the 30-day period required by subsection A.* If notice is given as prescribed in
 691 this subsection, the landlord shall have an additional ~~15-day~~ 10-day period to provide an itemization of the
 692 damages and the cost of repair. This section shall not preclude the landlord or tenant from recovering other
 693 damages to which he may be entitled under this chapter. The holder of the landlord's interest in the premises
 694 at the time of the termination of the tenancy, regardless of how the interest is acquired or transferred, is bound
 695 by this section and shall be required to return any security deposit *or pet deposit* received by the original
 696 landlord that is duly owed to the tenant, whether or not such security deposit is transferred with the landlord's
 697 interest by law or equity, regardless of any contractual agreements between the original landlord and his
 698 successors in interest.

699 F. The landlord shall:

700 1. Maintain and itemize records for each tenant of all deductions from security deposits provided for
 701 under this section that the landlord has made by reason of a tenant's noncompliance with § 55.1-1227, or for
 702 any other reason set out in this section, during the preceding two years; ~~and~~

703 2. *As applicable, maintain and itemize records for each tenant of all deductions from pet deposits*
 704 *provided for under this section that the landlord has made by reason of damages to the premises incurred by*
 705 *a pet occupying the dwelling unit, or for any other reason set out in this section, during the preceding two*
 706 *years; and*

707 3. Permit a tenant or his authorized agent or attorney to inspect such tenant's records of deductions at any
 708 time during normal business hours.

709 G. Upon request by the landlord to a tenant to vacate, or within five days after receipt of notice by the
 710 landlord of the tenant's intent to vacate, the landlord shall provide written notice to the tenant of the tenant's
 711 right to be present at the landlord's inspection of the dwelling unit for the purpose of determining the amount
 712 of security deposit *and, if applicable, pet deposit* to be returned. If the tenant desires to be present when the
 713 landlord makes the inspection, he shall, in writing, so advise the landlord, who in turn shall notify the tenant
 714 of the date and time of the inspection, which must be made within 72 hours of delivery of possession.
 715 Following the move-out inspection, the landlord shall provide the tenant with a written security deposit
 716 disposition statement, including an itemized list of damages, *and, if applicable, a written pet deposit*
 717 *disposition statement, including an itemized list of damages.* If additional damages are discovered by the
 718 landlord after ~~the security deposit disposition~~ *such dispositions have* been made, nothing in this section
 719 shall be construed to preclude the landlord from recovery of such damages against the tenant, provided,
 720 however, that the tenant may present into evidence a copy of the move-out report to support the tenant's
 721 position that such additional damages did not exist at the time of the move-out inspection.

722 H. If the tenant has any assignee or sublessee, the landlord shall be entitled to hold a security deposit *or, if*
 723 *applicable, pet deposit* from only one party in compliance with the provisions of this section.

724 I. The landlord may permit a tenant to provide damage insurance coverage in lieu of the payment of a
 725 security deposit *or pet deposit*. Such damage insurance in lieu of a security deposit *or pet deposit* shall
 726 conform to the following criteria:

727 1. The provider of damage insurance is licensed or approved by the Virginia State Corporation
 728 Commission;

729 2. The coverage is effective upon the payment of the first premium and remains effective for the entire
 730 lease term;

731 3. The coverage provided per claim is no less than the amount the landlord requires for security deposits
 732 *or pet deposits*;

733 4. The provider of damage insurance agrees to approve or deny payment of a claim; and

734 5. The provider of damage insurance shall notify the landlord within 10 days if the damage policy lapses
 735 or is canceled.

736 J. A tenant who initially opts to provide damage insurance in lieu of a security deposit *or pet deposit* may,
 737 at any time without consent of the landlord, opt to pay the full security deposit *or pet deposit* to the landlord
 738 in lieu of maintaining a damage insurance policy. The landlord shall not alter the terms of the lease in the
 739 event a tenant opts to pay the full amount of the security deposit *or pet deposit* pursuant to this subsection.

740 § 55.1-1234. Noncompliance by landlord.

741 Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental
 742 agreement or a noncompliance with any provision of this chapter, materially affecting health and safety, the
 743 tenant may serve a written notice on the landlord specifying the acts and omissions constituting the breach
 744 and stating that the rental agreement will terminate upon a date not less than 30 days after receipt of the
 745 notice if such breach is not remedied in 21 days.

746 If the landlord commits a breach that is not remediable, the tenant may serve a written notice on the
 747 landlord specifying the acts and omissions constituting the breach and stating that the rental agreement will
 748 terminate upon a date not less than 30 days after receipt of the notice.

749 If the landlord has been served with a prior written notice that required the landlord to remedy a breach,
 750 and the landlord remedied such breach, where the landlord intentionally commits a subsequent breach of a
 751 like nature as the prior breach, the tenant may serve a written notice on the landlord specifying the acts and
 752 omissions constituting the subsequent breach, make reference to the prior breach of a like nature, and state
 753 that the rental agreement will terminate upon a date not less than 30 days after receipt of the notice.

754 If the breach is remediable by repairs and the landlord adequately remedies the breach prior to the date
 755 specified in the notice, the rental agreement will not terminate. The tenant may not terminate for a condition
 756 caused by the deliberate or negligent act or omission of the tenant, an authorized occupant, or a guest or
 757 invitee of the tenant. In addition, the tenant may recover damages and obtain injunctive relief for
 758 noncompliance by the landlord with the provisions of the rental agreement or of this chapter. The tenant shall
 759 be entitled to recover reasonable attorney fees unless the landlord proves by a preponderance of the evidence
 760 that the landlord's actions were reasonable under the circumstances. If the rental agreement is terminated due
 761 to the landlord's noncompliance, the landlord shall return the security deposit *and, if applicable, the pet*
 762 *deposit* in accordance with § 55.1-1226.

763 **§ 55.1-1237. Notice to tenant in event of foreclosure.**

764 A. The landlord of a dwelling unit used as a single-family residence shall give written notice to the tenant
 765 or any prospective tenant of such dwelling unit that the landlord has received a notice of a mortgage default,
 766 mortgage acceleration, or foreclosure sale relative to the loan on the dwelling unit within five business days
 767 after written notice from the lender is received by the landlord. This requirement shall not apply (i) to any
 768 managing agent who does not receive a copy of such written notice from the lender or (ii) if the tenant or
 769 prospective tenant provides a copy of the written notice from the lender to the landlord or the managing
 770 agent.

771 B. If the landlord fails to provide the notice required by this section, the tenant shall have the right to
 772 terminate the rental agreement upon written notice to the landlord at least five business days prior to the
 773 effective date of termination. If the tenant terminates the rental agreement, the landlord shall make disposition
 774 of the tenant's security deposit *and, if applicable, pet deposit* in accordance with law or the provisions of the
 775 rental agreement, whichever is applicable.

776 C. If the dwelling unit is foreclosed upon and there is a tenant in such dwelling unit on the date of the
 777 foreclosure sale, the successor in interest who acquires the dwelling unit at the foreclosure sale shall assume
 778 such interest subject to the following:

779 1. If the successor in interest acquires the dwelling unit for the purpose of occupying such unit as his
 780 primary residence, the successor in interest shall provide written notice to the tenant, in accordance with the
 781 provisions of § 55.1-1202, notifying the tenant that the rental agreement is terminated and that the tenant
 782 must vacate the dwelling unit on a date not less than 90 days after the date of such written notice.

783 2. If the successor in interest acquires the dwelling unit for any other purpose, the successor in interest
 784 shall acquire the dwelling unit subject to the rental agreement and the tenant shall be permitted to occupy the
 785 dwelling unit for the remaining term of the lease, provided, however, that the successor in interest may
 786 terminate the rental agreement pursuant to § 55.1-1245 or the terms of the rental agreement. The successor in
 787 interest shall provide written notice to the tenant, in accordance with the provisions of § 55.1-1202, informing
 788 the tenant of such.

789 The terms of the terminated rental agreement remain in effect except that the tenant shall make rental
 790 payments (i) to the successor owner as directed in a written notice to the tenant in this subsection; (ii) to the
 791 managing agent of the owner, if any, or successor owner; or (iii) into a court escrow account pursuant to the
 792 provisions of § 55.1-1244; however, there is no obligation of a tenant to file a tenant's assertion and pay rent
 793 into escrow. Where there is not a managing agent designated in the rental agreement, the tenant shall remain
 794 obligated for payment of the rent but shall not be held to be delinquent or assessed a late charge until the
 795 successor owner provides written notice identifying the name, address, and telephone number of the party to
 796 which the rent should be paid.

797 **§ 55.1-1243.1. Tenant's remedies for exclusion from dwelling unit, interruption of services, or**
 798 **actions taken to make premises unsafe.**

799 A. A general district court shall enter an order pursuant to this section upon petition by a tenant who
 800 presents evidence establishing that his landlord has willfully and without authority from the court (i) removed
 801 or excluded the tenant from the dwelling unit unlawfully, (ii) interrupted or caused the interruption of an
 802 essential service to the tenant, or (iii) taken action to make the premises unsafe for habitation.

803 B. An order entered pursuant to this section may require the landlord to (i) allow the tenant to recover
 804 possession of the dwelling unit, (ii) resume any such interrupted essential service, or (iii) fix any willful
 805 actions taken by the landlord or his agent to make the premises unsafe for habitation.

806 C. The initial hearing on the tenant's petition shall be held within five calendar days from the date of the
 807 filing of the petition. The court may issue a preliminary order ex parte to require the landlord to take action
 808 described in subsection B if the court finds (i) there is good cause shown to do so and (ii) the tenant made
 809 reasonable efforts to alert the landlord of the hearing. Any preliminary ex parte order issued pursuant to this
 810 section shall further include a date of no more than 10 days after the initial hearing for a full hearing to
 811 consider the merits of the petition and the damages described in subsection D. At the full hearing, the court
 812 may terminate the rental agreement upon request of the tenant and order the landlord to return all of the
 813 security deposit *and, if applicable, pet deposit* in accordance with § 55.1-1226.

814 D. In a full hearing on a petition filed pursuant to this section and upon evidence presented establishing
 815 one or more of the factors in subsection A, the tenant shall recover (i) the actual damages sustained by him;
 816 (ii) statutory damages of \$5,000 or four months' rent, whichever is greater; and (iii) reasonable attorney fees.

817 **§ 55.1-1243.2. Tenant's remedies for exclusion from dwelling unit due to condemnation.**

818 A. If the tenant gave notice to the landlord during the tenancy that his dwelling unit was in violation of an
 819 applicable building code, such violation posed a substantial risk to the health, safety, or welfare of a tenant,
 820 and such violation resulted in the tenant being excluded from his dwelling unit due to such unit being
 821 condemned, the landlord shall be liable to the tenant for actual damages. The landlord shall also return to the
 822 tenant any (i) prepaid rent that had not become due as of the date of condemnation, (ii) security deposit, ~~or~~
 823 (iii) *if applicable, pet deposit, or (iv) rent paid, if any, to the landlord subsequent to the unit being*
 824 *condemned.*

825 B. No landlord shall be liable pursuant to this section if:

826 1. The condemnation of the dwelling unit was caused by (i) the deliberate or negligent act or omission of
 827 the tenant, an authorized occupant, or a guest or invitee of the tenant or (ii) an act of God; or

828 2. The lease was properly terminated pursuant to § 55.1-1240.

829 **§ 55.1-1251. Remedy after termination.**

830 If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a
 831 separate claim for actual damages for breach of the rental agreement, reasonable attorney fees as provided in
 832 § 55.1-1245, and the cost of service of any notice under § 55.1-1245 or 55.1-1415 or process by a sheriff or
 833 private process server, which cost shall not exceed the amount authorized by § 55.1-1247, and such claims
 834 may be enforced, without limitation, by initiating an action for unlawful entry or detainer. Actual damages for
 835 breach of the rental agreement may include a claim for rent that would have accrued until the expiration of
 836 the term of the rental agreement or until a tenancy pursuant to a new rental agreement commences, whichever
 837 occurs first, provided that nothing contained in this section shall diminish the duty of the landlord to mitigate
 838 actual damages for breach of the rental agreement. In obtaining post-possession judgments for actual
 839 damages as defined in this section, the landlord shall not seek a judgment for accelerated rent through the end
 840 of the term of the tenancy.

841 In any unlawful detainer action brought by the landlord, this section shall not be construed to prevent the
 842 landlord from being granted by the court a simultaneous judgment for money due and for possession of the
 843 premises without a credit for any security deposit *or pet deposit*. Upon the tenant vacating the premises either
 844 voluntarily or by a writ of eviction, security deposits *and, if applicable, pet deposits* shall be credited to the
 845 tenant's account by the landlord in accordance with the requirements of § 55.1-1226.

846 **§ 55.1-1302. Term of rental agreement; renewal; security and pet deposits.**

847 A. A landlord shall offer all current and prospective year-round residents a rental agreement with a rental
 848 period of not less than one year. Such offer shall contain the same terms and conditions as are offered with
 849 shorter term leases, except that rental discounts may be offered by a landlord to residents who enter into a
 850 rental agreement for a period of not less than one year.

851 B. Upon the expiration of a rental agreement with a term of one year or more, the agreement shall be
 852 automatically renewed for a term of the same duration with the same terms unless either party provides
 853 written notification of an intent to not renew the agreement at least 60 days prior to the expiration date or the
 854 landlord provides written notice to the tenant of any change in the terms of the agreement at least 60 days
 855 prior to the expiration date. If the tenant notifies the landlord in writing within 30 days of receiving notice of
 856 the change in terms that he does not agree to such change in terms, such tenant may choose to not renew the
 857 rental agreement unless the landlord agrees to maintain the same terms as those in the current agreement. In
 858 the case of an automatic renewal of a rental agreement for a year-round resident, *neither* the security deposit
 859 *nor, if applicable, the pet deposit* initially furnished by the tenant shall ~~not~~ be increased by the landlord, nor
 860 shall an additional ~~security~~ deposit be required.

861 C. Except as limited by subsection B, the provisions of § 55.1-1226 shall govern the terms and conditions
 862 of security deposits *and pet deposits* for rental agreements under this chapter.

863 D. No landlord shall charge a tenant for late payment of rent unless such charge is provided for in the
 864 written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10

865 percent of the remaining balance due and owed by the tenant.

866 **§ 55.1-1311. Other provisions of law applicable.**

867 Section 55.1-1202, subsection A of § 55.1-1204, §§ ~~55.1-1203~~, ~~55.1-1204.2~~, 55.1-1207, 55.1-1208,
868 55.1-1216, 55.1-1224, 55.1-1226, 55.1-1228, 55.1-1234 through 55.1-1252, and 55.1-1259 shall, insofar as
869 they are not inconsistent with this chapter, apply, mutatis mutandis, to the rental and occupancy of a
870 manufactured home lot, including termination of a lot lease if a tenant commits a remediable breach and, after
871 remedying such breach, intentionally commits a subsequent breach of a like nature, during the same lease
872 term.

873 **§ 55.1-1317. Transfer of deposits upon purchase.**

874 The manufactured home park owner shall transfer any security deposits *or pet deposits* and any accrued
875 interest on the deposits in his possession to the new manufactured home park owner at the time of the transfer
876 of the rental property. If the current manufactured home park owner has entered into a written property
877 management agreement with a managing agent in accordance with the provisions of subsection E of
878 § 54.1-2135, the current manufactured home park owner shall give written notice to the managing agent
879 requesting payment of such ~~security~~ deposits to the current manufactured home park owner prior to
880 settlement with the new manufactured home park owner. Upon receipt of the written notice, the managing
881 agent shall transfer the security deposits *and pet deposits* to the current manufactured home park owner and
882 provide written notice to each tenant that his security deposit *and, if applicable, pet deposit* has been
883 transferred to the new manufactured home park owner in accordance with this section.

884 **§ 56-1.2. Persons, localities, and school boards not designated as public utility, public service
885 corporation, etc.**

886 The terms public utility, public service corporation, or public service company, as used in Chapters 1
887 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1 (§ 56-265.13:1 et seq.) of this
888 title, shall not refer to:

889 1. Any person who owns or operates property and provides electricity, natural gas, water, or sewer service
890 to residents or tenants on the property, provided that (i) the electricity, natural gas, water, or sewer service
891 provided to the residents or tenants is purchased by the person from a public utility, public service
892 corporation, public service company, or person licensed by the Commission as a competitive provider of
893 energy services, or a county, city or town, or other publicly regulated political subdivision or public body, (ii)
894 the person or his agent charges to the resident or tenant on the property only that portion of the person's utility
895 charges for the electricity, natural gas, water, or sewer service which is attributable to usage by the resident or
896 tenant on the property, and additional service charges permitted by § ~~55.1-1212~~ ~~or~~ 55.1-1404, as applicable,
897 and (iii) the person maintains three years' billing records for such charges.

898 2. Any (i) person who is not a public service corporation and who provides electric vehicle charging
899 service at retail, (ii) school board that operates retail fee-based electric vehicle charging stations on school
900 property pursuant to § 22.1-131, or (iii) locality that operates a retail fee-based electric vehicle charging
901 station on property owned or leased by the locality pursuant to § 15.2-967.2. The ownership or operation of a
902 facility at which electric vehicle charging service is sold, and the selling of electric vehicle charging service
903 from that facility, does not render such person, school board, locality, or board of visitors a public utility,
904 public service corporation, or public service company as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et
905 seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1 (§ 56-265.13:1 et seq.) solely because of that sale, ownership, or
906 operation.

907 3. Any agency, as defined in § 2.2-128, when operating a retail fee-based electric vehicle charging station
908 pursuant to § 2.2-614.5 on any property or facility the agency controls. The ownership or operation of a
909 facility at which electric vehicle charging service is sold, or the selling of electric vehicle charging service
910 from that facility, does not render the agency a public utility, public service corporation, or public service
911 company as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1
912 (§ 56-265.13:1 et seq.) solely because of that sale, ownership, or operation.

913 **§ 56-245.3. Commission to promulgate regulations and standards.**

914 A. Notwithstanding any law to the contrary, the Commission shall promulgate regulations and standards
915 under which any owner, operator, or manager of an apartment house, office building, shopping center, or
916 campground, which is not individually metered for electricity or gas for each dwelling unit, nonresidential
917 rental unit, or campsite may install submetering equipment or energy allocation equipment for the purpose of
918 fairly allocating (a) the cost of electrical or gas consumption for each dwelling unit, nonresidential rental unit,
919 or campsite and (b) electrical or gas demand and customer charges made by the utility. In addition to other
920 appropriate safeguards for the tenant, the regulations shall require (i) that an apartment house, office building,
921 shopping center, or campground owner shall not impose on the tenant any charges, over and above the cost
922 per kilowatt hour, cubic foot or therm, plus demand and customer charges, where applicable, which are
923 charged by the utility company to the owner, including any sales, local utility, or other taxes, if any, except
924 that additional service charges permitted by § ~~55.1-1212~~ ~~or~~ 55.1-1404, as applicable, may be collected to
925 cover administrative costs and billing, and (ii) that the apartment house, office building, shopping center, or
926 campground owner shall maintain adequate records regarding submetering and energy allocation equipment

927 and shall make such records available for inspection by the Commission during reasonable business hours.
928 The provisions of this section shall not restrict the right of the owner, operator or manager to recover in
929 periodic lease payments the tenant's fair share of electricity or gas costs attributable to owner-paid areas and
930 costs incurred by the owner, operator or manager in establishing and maintaining the submetering or energy
931 allocation equipment.

932 B. Only for purposes of Commission enforcement of the regulations adopted under this section, the
933 owners, operators, or managers of apartment houses, office buildings, shopping centers, or campgrounds
934 included within the purview of this article shall be treated as public service corporations under §§ 56-5, 56-6
935 and 56-7. All submetering equipment shall be subject to the same regulations and standards established by the
936 Commission for accuracy, testing, and record keeping of meters installed by electric or gas utilities and shall
937 be subject to the meter requirements of § 56-245.1. All energy allocation equipment shall be subject to
938 regulations and standards established by the Commission to ensure that such systems result in a reasonable
939 determination of energy use and the resulting costs for each dwelling unit, nonresidential rental unit, or
940 campsite. Violations of Commission regulations and orders issued under this section shall be subject to the
941 penalty set forth in § 12.1-33.

942 C. In implementing this section, no apartment house, office building, shopping center, or campground
943 shall be considered a public utility or public service corporation engaged in the business of distributing or
944 reselling electricity or gas except as provided in subsection B. The apartment house, office building, shopping
945 center, or campground may use submetering or energy allocation equipment solely to allocate the costs of
946 electric or gas service fairly among the tenants using the apartment house, office building, shopping center, or
947 campground.

948 D. For the purposes of rules promulgated pursuant to this section, billing requirements and all other rules
949 related to submetering or energy allocation equipment use by tenants of an apartment house, office building,
950 shopping center, or campground shall apply to residential and nonresidential unit owners.

951 **2. That nothing in this act shall invalidate, alter, or otherwise affect any rental agreements entered into**
952 **or renewed prior to July 1, 2026.**