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HOUSE BILL NO. 1386

Offered January 21, 2026

A BILL to amend and reenact § 46.2-1527.3 of the Code of Virginia, relating to Motor Vehicle Transaction Recovery Fund; recovery for breach of extended service contracts.

Patrons—Wyatt and Thornton

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That § 46.2-1527.3 of the Code of Virginia is amended and reenacted as follows:****§ 46.2-1527.3. Recovery from Fund, generally.**

Except as otherwise provided in this chapter, whenever any person is awarded a final judgment in a court of competent jurisdiction in the Commonwealth for (i) any loss or damage in connection with the purchase or lease of a motor vehicle by reason of any fraud practiced on him or fraudulent representation made to him by a licensed or registered motor vehicle dealer participating in the Motor Vehicle Transaction Recovery Fund or one of a dealer's salespersons acting for the dealer or within the scope of his employment or; (ii) any loss or damage by reason of the violation by a dealer or salesperson participating in the Motor Vehicle Transaction Recovery Fund of any of the provisions of this chapter; or (iii) any loss or damage resulting from a breach of an extended service contract, as that term is defined in § 59.1-435, for a motor vehicle, the judgment creditor may file a verified claim with the Board, requesting payment from the Fund of the amount unpaid on the judgment subject to the following conditions:

1. The claim shall be filed with the Board no sooner than 30 days and no later than 12 months after the judgment becomes final along with the evidence of compliance with subdivision 3 below.

2. The Board shall consider for payment claims submitted by retail purchasers of motor vehicles, and for purchases of motor vehicles by licensed or registered motor vehicle dealers who contribute to the Fund. The Board shall also consider for payment claims submitted by lessees of motor vehicles leased from licensed or registered motor vehicle dealers who contribute to the Fund.

3. If the final judgment from a court of competent jurisdiction includes, as part of the judgment, an award of attorney fees and court costs, the Fund may include those in its payment of the claim if (i) the claimant had previously submitted to the trial court a detailed and itemized affidavit by counsel for the judgment creditor seeking such fees and costs, including a breakdown of the hours worked and the subject matter of those hours; (ii) said itemized affidavit formed the basis of the court's award of such fees; and (iii) a copy of such affidavit is provided to the Board with the judgment creditor's claim. If the award of attorney fees and costs by the trial court was not based on a detailed and itemized affidavit from counsel for the judgment creditor with a breakdown of the hours worked, then the Board may review and limit any claim for attorney fees to those attorney fees directly attributable to that portion of the final judgment that is determined to be a compensable claim by the Board against the Fund, and the Board may require a detailed itemization from counsel before considering such claim for attorney fees.

INTRODUCED

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