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SENATE BILL NO. 349
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on General Laws and Technology
on _____)
(Patron Prior to Substitute—Senator VanValkenburg)

A BILL to amend and reenact §§ 36-96.2, 55.1-1200, 55.1-1203, 55.1-1204, 55.1-1204.1, 55.1-1208, 55.1-1212, 55.1-1226, and 55.1-1311 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; Manufactured Home Lot Rental Act; application disclosure, deposit, and fee; certain prohibitions; security deposits.

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, 55.1-1208, 55.1-1212, 55.1-1226, and 55.1-1311 of the Code of Virginia are amended and reenacted 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

33 containing living quarters occupied or intended to be occupied by no more than four families living
34 independently of each other, if the owner actually maintains and occupies one of such living quarters as his
35 residence.

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

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

53 E. It shall not be unlawful under this chapter for any owner to deny or limit the rental of housing to
54 persons who pose a clear and present threat of substantial harm to others or to the dwelling itself.

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

62 health or safety of other individuals.

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

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

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

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

83 **§ 55.1-1200. Definitions.**

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

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

88 "*Administrative fee*" means the amount charged to a tenant for the preparation and execution of a rental
89 agreement.

90 "Application deposit" means any *optional and* refundable deposit of money, however denominated,
91 ~~including all money intended to be used as a security deposit under a rental agreement, or property,~~ that is (i)

92 paid by a *prospective* tenant to a landlord for ~~the purpose~~ *purposes* of being considered as a tenant for a
93 dwelling unit *and securing such dwelling unit and (ii) applied toward the security deposit if the prospective*
94 *tenant rents such dwelling unit.*

95 "Application fee" means any ~~nonrefundable~~ fee that is paid by a *prospective* tenant to a landlord or
96 managing agent for the purpose of being considered as a tenant for a dwelling unit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

147 "Natural person," wherever the chapter refers to an owner as a "natural person," includes co-owners who
148 are natural persons, either as tenants in common, joint tenants, tenants in partnership, tenants by the entirety,
149 trustees or beneficiaries of a trust, general partnerships, limited liability partnerships, registered limited

150 liability partnerships or limited liability companies, or any other lawful combination of natural persons
151 permitted by law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

196 "Security deposit" means any refundable deposit of money that is furnished by a tenant to a landlord *at the*
197 *execution of the rental agreement* to secure the performance of the terms and conditions of a rental
198 agreement, as a security for damages to the leased premises, or as a pet deposit. ~~However, such money shall~~
199 ~~be deemed an application deposit until the commencement date of the rental agreement.~~ "Security deposit"
200 does not include a damage insurance policy or renter's insurance policy, as those terms are defined in
201 § 55.1-1206, purchased by a landlord to provide coverage for a tenant.

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

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

207 "Tenant" means a person entitled only under the terms of a rental agreement to occupy a dwelling unit to
208 the exclusion of others and includes a roomer. "Tenant" does not include (i) an authorized occupant, (ii) a

209 guest or invitee, or (iii) any person who guarantees or cosigns the payment of the financial obligations of a
210 rental agreement but has no right to occupy a dwelling unit.

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

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

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

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

224 **§ 55.1-1203. Application; disclosure; deposit, fee, and additional information.**

225 A. ~~Any landlord may require a refundable application deposit in addition to a nonrefundable application~~
226 ~~fee.~~ *Prior to requesting or collecting any payment or information about a prospective tenant and prior to*
227 *exhibiting the dwelling unit to a prospective tenant, a landlord shall first notify the prospective tenant in*
228 *writing or by posting in a manner accessible to a prospective tenant (i) the amount of any application fee or*
229 *application deposit that may be charged to or collected from an applicant prior to execution of a rental*
230 *agreement and whether such fee or deposit is optional or refundable and (ii) the amount of any*
231 *administrative fee, utility account set-up fee, or security deposit that may be charged to or collected from a*
232 *tenant upon execution of a rental agreement and whether such fee or deposit is refundable.*

233 B. *No landlord shall charge or collect from a tenant any fee prior to the execution of a rental agreement*
234 *that is not an application fee or application deposit. If a landlord fails to review an application for any*
235 *reason, the landlord shall refund any application fee to the applicant within 14 days after the landlord's*
236 *failure to review the application. If the applicant fails to rent the unit for which application was made, from*
237 *the application deposit the landlord shall refund to the applicant within 20 days after the applicant's failure to*
238 *rent the unit or the landlord's rejection of the application all sums in excess of the landlord's, less the actual*
239 *expenses and damages incurred by the landlord in the application process that are directly attributable to the*

240 *applicant*, together with an itemized list of such expenses and damages. If, however, the application deposit
241 was made by cash, certified check, cashier's check, or postal money order, such refund shall be made within
242 10 days of the applicant's failure to rent the unit if the failure to rent is due to the landlord's rejection of the
243 application. If the landlord fails to comply with this section, the applicant may recover as damages suffered
244 by him that portion of the application deposit wrongfully withheld and reasonable attorney fees.

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

254 ~~C. D.~~ An application fee shall not exceed \$50; ~~exclusive of any actual out-of-pocket expenses paid by the~~
255 ~~landlord to a third party performing background, credit, or other pre-occupancy checks on the applicant.~~
256 However, where an application is being made for a dwelling unit that is a public housing unit or other
257 housing unit subject to regulation by the U.S. Department of Housing and Urban Development, an
258 application fee shall not exceed \$32; ~~exclusive of any actual out-of-pocket expenses paid to a third party by~~
259 ~~the landlord performing background, credit, or other pre-occupancy checks on the applicant.~~

260 ~~D. E.~~ A landlord shall consider evidence of an applicant's status as a victim of family abuse, as defined in
261 § 16.1-228, to mitigate any adverse effect of an otherwise qualified applicant's low credit score. In order to
262 establish the applicant's status as a victim of family abuse, an applicant may submit to the landlord (i) a letter
263 from a sexual and domestic violence program, a housing counselor certified by the U.S. Department of
264 Housing and Urban Development, or an attorney representing the applicant; (ii) a law-enforcement incident
265 report; or (iii) a court order. If a landlord does not comply with this section, the applicant may recover actual
266 damages, including all amounts paid to the landlord as an application fee, application deposit, or
267 reimbursement for any of the landlord's out-of-pocket expenses that were charged to the prospective tenant,
268 along with attorney fees.

269 *F. No landlord shall charge or collect from a tenant any fee at the time of the execution of a rental*
270 *agreement that is not an administrative fee, a utility account set-up fee, or a security deposit.*

271 § 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental agreement
272 for tenant.

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

277 B. A landlord shall offer a prospective tenant a written rental agreement containing the terms governing
278 the rental of the dwelling unit and setting forth the terms and conditions of the landlord-tenant relationship
279 and shall provide with it the statement of tenant rights and responsibilities developed by the Department of
280 Housing and Community Development and posted on its website pursuant to § 36-139. The parties to a
281 written rental agreement shall sign the form developed by the Department of Housing and Community
282 Development and posted on its website pursuant to § 36-139 acknowledging that the tenant has received from
283 the landlord the statement of tenant rights and responsibilities. The written rental agreement shall be effective
284 upon the date signed by the parties.

285 If a tenant fails to sign the form available pursuant to this subsection, the landlord shall record the date or
286 dates on which he provided the form to the tenant and the fact that the tenant failed to sign such form.
287 Subsequent to the effective date of the tenancy, a landlord may, but shall not be required to, provide a tenant
288 with and allow such tenant an opportunity to sign the form described pursuant to this subsection. The form
289 shall be current as of the date of delivery.

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

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

293 2. The duration of the rental agreement shall be for 12 months and shall not be subject to automatic
294 renewal, except in the event of a month-to-month lease as otherwise provided for under subsection D of
295 § 55.1-1253;

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

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

300 5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be entitled to

301 charge a late charge as provided in this chapter;

302 6. The landlord may collect a security deposit in an amount that does not exceed a total amount equal to
303 two months of rent; and

304 7. The parties may enter into a written rental agreement at any time during the 12-month tenancy created
305 by this subsection.

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

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

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

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

326 H. The landlord shall provide a copy of the signed written rental agreement and the statement of tenant
327 rights and responsibilities to the tenant within 10 business days of the effective date of the written rental
328 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect the
329 validity of the agreement. However, the landlord shall not file or maintain an action, including any summons

330 for unlawful detainer, against the tenant in a court of law for any alleged lease violation until he has provided
331 the tenant with the statement of tenant rights and responsibilities.

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

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

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

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

346 K. A landlord who owns more than four rental dwelling units or more than a 10 percent interest in more
347 than four rental dwelling units, whether individually or through a business entity, in the Commonwealth shall
348 be required to provide written notice to any tenant who has the option to renew a rental agreement or whose
349 rental agreement contains an automatic renewal provision of any increase in rent during the subsequent rental
350 agreement term. Such landlord shall also provide written notice of nonrenewal to any tenant. Such notices
351 shall be provided to the tenant no less than 60 days prior to the end of the rental agreement term. This
352 subsection shall not apply to any periodic tenancy created pursuant to subsection C of § 55.1-1253.

353 *L. A landlord that charges an administrative fee shall charge an amount equal to the actual cost of*
354 *executing the rental agreement. Such costs shall only include the actual expenses incurred by the landlord.*

355 **§ 55.1-1204.1. Fee disclosure statement; fee prohibition.**

356 A. A landlord shall provide, beginning on the first page of the written rental agreement, an itemization of
357 all charges to the tenant that comprise (i) the security deposit, (ii) the amount of rent due per payment period
358 pursuant to the lease period, and (iii) any ~~additional one-time charges fees~~ due prior to the commencement
359 date of the rental agreement or that will be included in the first rental payment. Immediately above the

360 itemized list of charges, the written rental agreement shall state: No additional security deposits or rent shall
361 be charged unless they are listed below or incorporated into this agreement by way of a separate addendum
362 after execution of this rental agreement.

363 *B. No landlord shall charge a renewal fee or administrative fee to a tenant prior to the execution of a*
364 *subsequent rental agreement unless (i) a change to the terms and conditions of the subsequent rental*
365 *agreement is requested by the tenant in writing, (ii) such a fee is necessary to cover the actual cost of*
366 *implementing the changes proposed by the tenant, and (iii) the change is agreed to by the landlord and tenant*
367 *in writing. If a change to the terms and conditions of the subsequent rental agreement is proposed by the*
368 *landlord, no renewal fee or administrative fee shall be charged to the tenant.*

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

373 **§ 55.1-1208. Prohibited provisions in rental agreements.**

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

- 375 1. Agrees to waive or forgo rights or remedies under this chapter;
- 376 2. Agrees to waive or forgo rights or remedies pertaining to the 120-day conversion or rehabilitation
377 notice required in the Virginia Condominium Act (§ 55.1-1900 et seq.) or the Virginia Real Estate
378 Cooperative Act (§ 55.1-2100 et seq.) or under § 55.1-1410;
- 379 3. Authorizes any person to confess judgment on a claim arising out of the rental agreement;
- 380 4. Agrees to pay the landlord's attorney fees except as provided in this chapter;
- 381 5. Agrees to the exculpation or limitation of any liability of the landlord to the tenant arising under law or
382 to indemnify the landlord for that liability or any associated costs;
- 383 6. Agrees as a condition of tenancy in public housing to a prohibition or restriction of any lawful
384 possession of a firearm within individual dwelling units unless required by federal law or regulation;
- 385 7. Agrees to the payment of a security deposit, insurance premiums for damage insurance, and insurance
386 premiums for renter's insurance prior to the commencement of the tenancy that exceed the amount of two
387 months' periodic rent; ~~or~~
- 388 8. Agrees to hire or pay for a professional service, including professional cleaning, painting, and trash
389 removal, upon conclusion of the rental agreement; however, nothing in this subdivision shall limit the right of
390 a landlord to recover a security deposit from a tenant pursuant to § 55.1-1226; or

391 9. Agrees to waive remedies or rights under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901 et
392 seq., prior to the occurrence of a dispute between landlord and tenant. Execution of leases shall not be
393 contingent upon the execution of a waiver of rights under the Servicemembers Civil Relief Act; however,
394 upon the occurrence of any dispute, the landlord and tenant may execute a waiver of such rights and remedies
395 as to that dispute in order to facilitate a resolution.

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

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

402 **§ 55.1-1212. Energy submetering, energy allocation equipment, sewer and water submetering**
403 **equipment, and ratio utility billing systems; local government fees.**

404 A. As used in this section:

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

406 "Energy submetering equipment" has the same meaning ascribed to "submetering equipment" in
407 § 56-245.2.

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

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

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

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

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

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

440 D. If a ratio utility billing system is used in any residential building, in lieu of increasing the rent, the
441 owner, manager, or operator of such residential building may employ such a program that utilizes a
442 mathematical formula for allocating, among the tenants in a residential building, the actual or anticipated
443 water, sewer, electrical, oil, or natural gas billings billed to the residential building owner from a third-party
444 provider of the utility service. The owner, manager, or operator of the residential building may charge and
445 collect from the tenant additional service charges, including monthly billing fees, account set-up fees, or
446 account move-out fees, to cover the actual costs of administrative expenses and billings charged to the
447 residential building owner, manager, or operator by a third-party provider of such services, provided that such
448 charges are agreed to by the residential building owner and the tenant in the rental agreement or lease. The
449 residential building owner may require the tenant to pay a late charge of up to \$5 if the tenant fails to make
450 payment when due, which shall not be less than 15 days following the date of mailing or delivery of the bill

451 sent pursuant to this section. The late charge shall be deemed rent (i) as defined in § 55.1-1200 if a ratio
452 utility billing system is used in a residential multifamily dwelling unit subject to this chapter or (ii) as defined
453 in § 55.1-1300 if a ratio utility billing system is used in a manufactured home park subject to the
454 Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.).

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

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

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

474 H. In lieu of increasing the rent, the owner, manager, or operator of a residential building may employ a
475 program that utilizes a mathematical formula for allocating the actual or anticipated local government fees
476 billed to the residential building owner among the tenants in such residential building if clearly stated in the
477 rental agreement or lease. Permitted allocation methods may include formulas based upon square footage,
478 occupancy, number of bedrooms, or some other specific method agreed to by the residential building owner
479 and the tenant in the rental agreement or lease. Such owner, manager, or operator of a residential building
480 may also charge and collect from each tenant additional service charges, including monthly billing fees,

481 account set-up fees, or account move-out fees, to cover the actual costs of administrative expenses for
482 administration of such a program, *provided that such charges are agreed to by the residential building owner*
483 *and the tenant in the rental agreement or lease.* If the building is residential and is subject to (i) this chapter,
484 such local government fees and administrative expenses shall be deemed to be rent as defined in § 55.1-1200
485 or (ii) the Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.), such local government fees and
486 administrative expenses shall be deemed to be rent as defined in § 55.1-1300.

487 I. Nothing in this section shall be construed to ~~prohibit~~ *allow* an owner, manager, or operator of a
488 residential building ~~from including~~ *to charge a tenant for water, sewer, electrical, natural gas, oil, or other*
489 *utilities in the amount of rent as specified in the rental agreement or lease if the tenant directly pays the*
490 *provider of such utilities for the provision of such utilities.*

491 **§ 55.1-1226. Security deposits.**

492 A. No landlord may demand or receive a security deposit, however denominated, in an amount or value in
493 excess of two months' periodic rent. Upon termination of the tenancy or the date the tenant vacates the
494 dwelling unit, whichever occurs last, such security deposit, whether it is property or money held by the
495 landlord as security as provided in this section, ~~may~~ *shall* be applied by the landlord solely to (i) the payment
496 of accrued rent, including the reasonable charges for late payment of rent specified in the rental agreement;
497 (ii) the payment of the amount of damages that the landlord has suffered by reason of the tenant's
498 noncompliance with § 55.1-1227, less reasonable wear and tear; (iii) other damages or charges as provided in
499 the rental agreement; or (iv) actual damages for breach of the rental agreement pursuant to § 55.1-1251.

500 B. *No amount of security deposit shall be applied by the landlord toward (i) the cost of professional*
501 *services or (ii) the cost of materials and labor performed by the landlord or an employee of the landlord,*
502 *unless (a) such costs are reasonably necessary to return the premises to the same condition as the condition*
503 *of the premises at the start of the rental agreement, less reasonable wear and tear, and (b) the landlord*
504 *provides a receipt reflecting such costs to the tenant.* The security deposit and any deductions, damages, and
505 charges shall be itemized by the landlord in a written notice given to the tenant, together with any amount due
506 to the tenant, within 45 days after the termination date of the tenancy or the date the tenant vacates the
507 dwelling unit, whichever occurs last. As of the date of the termination of the tenancy or the date the tenant
508 vacates the dwelling unit, whichever occurs last, the tenant shall be required to deliver possession of the
509 dwelling unit to the landlord. If the termination date is prior to the expiration of the rental agreement or any
510 renewal thereof, or the tenant has not given proper notice of termination of the rental agreement, the tenant
511 shall be liable for actual damages pursuant to § 55.1-1251, in which case, the landlord shall give written

512 notice of security deposit disposition within the 45-day period but may retain any security balance to apply
513 against any financial obligations of the tenant to the landlord pursuant to this chapter or the rental agreement.
514 If the tenant fails to vacate the dwelling unit as of the termination of the tenancy, the landlord may file an
515 unlawful detainer action pursuant to § 8.01-126.

516 ~~B.~~ C. Where there is more than one tenant subject to a rental agreement, unless otherwise agreed to in
517 writing by each of the tenants, disposition of the security deposit shall be made with one check being payable
518 to all such tenants and sent to a forwarding address provided by one of the tenants. The landlord shall make
519 the security deposit disposition within the 45-day time period required by subsection A, but if no forwarding
520 address is provided to the landlord, the landlord may continue to hold such security deposit in escrow. If a
521 tenant fails to provide a forwarding address to the landlord to enable the landlord to make a refund of the
522 security deposit, upon the expiration of one year from the date of the end of the 45-day time period, the
523 landlord may remit such sum to the State Treasurer as unclaimed property on a form prescribed by the
524 administrator that includes the name; social security number, if known; and last known address of each tenant
525 on the rental agreement. If the landlord or managing agent is a real estate licensee, compliance with this
526 subsection shall be deemed compliance with § 54.1-2108 and corresponding regulations of the Real Estate
527 Board.

528 ~~C.~~ D. Nothing in this section shall be construed by a court of law or otherwise as entitling the tenant, upon
529 the termination of the tenancy, to an immediate credit against the tenant's delinquent rent account in the
530 amount of the security deposit. The landlord shall apply the security deposit in accordance with this section
531 within the 45-day time period required by subsection A. However, provided that the landlord has given prior
532 written notice in accordance with this section, the landlord may withhold a reasonable portion of the security
533 deposit to cover an amount of the balance due on the water, sewer, or other utility account that is an
534 obligation of the tenant to a third-party provider under the rental agreement for the dwelling unit, and upon
535 payment of such obligations the landlord shall provide written confirmation to the tenant within 10 days,
536 along with payment to the tenant of any balance otherwise due to the tenant. In order to withhold such funds
537 as part of the disposition of the security deposit, the landlord shall have so advised the tenant of his rights and
538 obligations under this section in (i) a termination notice to the tenant in accordance with this chapter, (ii) a
539 written notice to the tenant confirming the vacating date in accordance with this section, or (iii) a separate
540 written notice to the tenant at least 15 days prior to the disposition of the security deposit. Any written notice
541 to the tenant shall be given in accordance with § 55.1-1202.

542 The tenant may provide the landlord with written confirmation of the payment of the final water, sewer, or

543 other utility bill for the dwelling unit, in which case the landlord shall refund the security deposit, unless there
544 are other authorized deductions, within the 45-day period required by subsection A. If the tenant provides
545 such written confirmation after the expiration of the 45-day period, the landlord shall refund any remaining
546 balance of the security deposit held to the tenant within 10 days following the receipt of such written
547 confirmation provided by the tenant. If the landlord otherwise receives confirmation of payment of the final
548 water, sewer, or other utility bill for the dwelling unit, the landlord shall refund the security deposit, unless
549 there are other authorized deductions, within the 45-day period.

550 ~~D.~~ E. Nothing in this section shall be construed to prohibit the landlord from making the disposition of the
551 security deposit prior to the 45-day period required by subsection A and charging an administrative fee to the
552 tenant for such expedited processing, if the rental agreement so provides and the tenant requests expedited
553 processing in a separate written document.

554 ~~E.~~ F. The landlord shall notify the tenant in writing of any deductions provided by this section to be made
555 from the tenant's security deposit during the course of the tenancy. Such notification shall be made within ~~30~~
556 *15* days of the date of the determination of the deduction and shall itemize the reasons in the same manner as
557 provided in subsection F. No such notification shall be required for deductions made less than ~~30~~ *15* days
558 prior to the termination of the rental agreement. If the landlord willfully fails to comply with this section, the
559 court shall order the return of the security deposit to the tenant, together with actual damages and reasonable
560 attorney fees, unless the tenant owes rent to the landlord, in which case the court shall order an amount equal
561 to the security deposit credited against the rent due to the landlord. In the event that damages to the premises
562 exceed the amount of the security deposit and require the services of a third-party contractor, the landlord
563 shall give written notice to the tenant advising him of that fact within the 45-day period required by
564 subsection A. If notice is given as prescribed in this subsection, the landlord shall have an additional ~~15-day~~
565 *10-day* period to provide an itemization of the damages and the cost of repair. This section shall not preclude
566 the landlord or tenant from recovering other damages to which he may be entitled under this chapter. The
567 holder of the landlord's interest in the premises at the time of the termination of the tenancy, regardless of
568 how the interest is acquired or transferred, is bound by this section and shall be required to return any security
569 deposit received by the original landlord that is duly owed to the tenant, whether or not such security deposit
570 is transferred with the landlord's interest by law or equity, regardless of any contractual agreements between
571 the original landlord and his successors in interest.

572 ~~F.~~ G. The landlord shall:

573 1. Maintain and itemize records for each tenant of all deductions from security deposits provided for

574 under this section that the landlord has made by reason of a tenant's noncompliance with § 55.1-1227, or for
575 any other reason set out in this section, during the preceding two years; and

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

578 ~~G. H.~~ Upon request by the landlord to a tenant to vacate, or within five days after receipt of notice by the
579 landlord of the tenant's intent to vacate, the landlord shall provide written notice to the tenant of the tenant's
580 right to be present at the landlord's inspection of the dwelling unit for the purpose of determining the amount
581 of security deposit to be returned. If the tenant desires to be present when the landlord makes the inspection,
582 he shall, in writing, so advise the landlord, who in turn shall notify the tenant of the date and time of the
583 inspection, which must be made within 72 hours of delivery of possession. Following the move-out
584 inspection, the landlord shall provide the tenant with a written security deposit disposition statement,
585 including an itemized list of damages. If additional damages are discovered by the landlord after the security
586 deposit disposition has been made, nothing in this section shall be construed to preclude the landlord from
587 recovery of such damages against the tenant, provided, however, that the tenant may present into evidence a
588 copy of the move-out report to support the tenant's position that such additional damages did not exist at the
589 time of the move-out inspection.

590 ~~H. I.~~ If the tenant has any assignee or sublessee, the landlord shall be entitled to hold a security deposit
591 from only one party in compliance with the provisions of this section.

592 ~~F. J.~~ The landlord may permit a tenant to provide damage insurance coverage in lieu of the payment of a
593 security deposit. Such damage insurance in lieu of a security deposit shall conform to the following criteria:

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

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

598 3. The coverage provided per claim is no less than the amount the landlord requires for security deposits;

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

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

602 ~~J. K.~~ A tenant who initially opts to provide damage insurance in lieu of a security deposit may, at any time
603 without consent of the landlord, opt to pay the full security deposit to the landlord in lieu of maintaining a

604 damage insurance policy. The landlord shall not alter the terms of the lease in the event a tenant opts to pay
605 the full amount of the security deposit pursuant to this subsection.

606 **§ 55.1-1311. Other provisions of law applicable.**

607 Section 55.1-1202, subsection A of § 55.1-1204, *and* §§ 55.1-1203, 55.1-1207, 55.1-1208, 55.1-1216,
608 55.1-1224, 55.1-1226, 55.1-1228, 55.1-1234 through 55.1-1252, and 55.1-1259 shall, insofar as they are not
609 inconsistent with this chapter, apply, *mutatis mutandis*, to the rental and occupancy of a manufactured home
610 lot, including termination of a lot lease if a tenant commits a remediable breach and, after remedying such
611 breach, intentionally commits a subsequent breach of a like nature, during the same lease term.

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