Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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Bill Number: SB373H1 **Patron:** Boysko
Bill Title: Virginia Residential Landlord and Tenant Act; noncompliance as defense to action for possession for nonpayment of rent.

Bill Summary: Modifies the conditions under which a tenant may assert a defense to an action for possession or rent based on landlord noncompliance. The bill removes the requirement that a tenant deposit rent into court as a condition of asserting the defense and eliminates the court's authority to refer matters to state or local agencies and to hold and disburse rent escrow funds for specified purposes. The bill clarifies notice requirements and removes alternative notice through agency violation reports. The bill authorizes the court to order a landlord to remedy material noncompliance, specifies that termination of the rental agreement is at the tenant's request, and clarifies that a landlord may amend the amount requested at trial to include all amounts due and owing.

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

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

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

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

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

Other: None.