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

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Bill Number: HB281ER **Patron:** Callsen
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 landlord's noncompliance as a defense in actions for possession or rent due to nonpayment. The bill removes the requirement that a tenant deposit unpaid rent with the court as a condition of asserting the defense, clarifies the notice and timing requirements for raising the defense, limits the court's remedial authority by removing provisions related to rent handling and agency referrals, restricts lease termination to cases in which the tenant requests such relief, and clarifies that nothing in the section limits a landlord's ability to amend the amount requested at trial to reflect all amounts due and owing as of the trial date. This bill is effective on January 1, 2027.

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.