CHAPTER 1117

An Act to amend and reenact § 55.1-1240 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; fire or casualty damage; termination by landlord.

[H 834]

Approved May 14, 2026

Be it enacted by the General Assembly of Virginia:

1. That § 55.1-1240 of the Code of Virginia is amended and reenacted as follows:

§ 55.1-1240. Fire or casualty damage.

A. If the dwelling unit or premises is damaged or destroyed by fire or casualty to an extent that the tenant's *use and* enjoyment of the dwelling unit is substantially impaired or ~~required~~ *the unit requires* repairs *that* can only be accomplished if the tenant vacates the dwelling unit, either the tenant or the landlord may terminate the rental agreement.

B. The tenant may terminate the rental agreement by vacating the premises and, within ~~14~~ *21* days thereafter, serving on the landlord a written notice of his intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of vacating. If continued occupancy is lawful, § 55.1-1411 shall apply.

C. The landlord may terminate the rental agreement by giving the tenant ~~14~~ *21* days' notice of his intention to terminate the rental agreement ~~on the basis of the landlord's determination that such damage requires the removal of the tenant and that the use of the premises is substantially impaired, in which case~~*, if, prior to giving the tenant such notice, he has:*

1. (i) Met with or made a reasonable effort to meet with the tenant to discuss the extent of the damage to the tenant's dwelling unit and whether any reasonable alternatives to terminating the rental agreement are available and (ii) determined whether a substantially similar dwelling unit within the same complex is available for rent within a reasonable time for the tenant to move into such dwelling unit and, if so, offered to rent such unit to the tenant under the terms of the tenant's current rental agreement. If the landlord has met the requirements of this subdivision and the landlord has determined that the use of the premises is substantially impaired and the damage to the tenant's dwelling unit requires the removal of the tenant, the rental agreement ~~terminates~~ *shall terminate* as of the expiration of the notice period*; or*

2. Determined that the fire or casualty damage was caused by the tenant's violation of § 55.1-1227.

D. Within seven days of receiving the termination notice pursuant to subsection C, a tenant may make a written request to have the landlord reevaluate the extent of the damage and habitability of the dwelling unit. The landlord shall involve the tenant in the reevaluation process. If, after meeting with the tenant or making a reasonable effort to meet with the tenant, the landlord determines that the use of the premises is substantially impaired and the damage to the tenant's dwelling unit requires the removal of the tenant, the rental agreement shall terminate at the expiration of the original notice period.

E. If the rental agreement is terminated, the landlord shall return all security deposits in accordance with § 55.1-1226 and prepaid rent, plus accrued interest, recoverable by law unless the landlord reasonably believes that the tenant, an authorized occupant, or a guest or invitee of the tenant was the cause of the damage or casualty, in which case the landlord shall provide a written statement to the tenant for the security and prepaid rent, plus accrued interest based upon the damage or casualty, and may recover actual damages sustained pursuant to § 55.1-1251. Proration for rent in the event of termination or apportionment shall be made as of the date of the casualty.

2. That the provisions of this act shall become effective on January 1, 2027.