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SENATE BILL NO. 349

Offered January 14, 2026

A BILL to amend and reenact §§ 36-96.2, 55.1-1200, 55.1-1203, 55.1-1204, 55.1-1204.1, 55.1-1206, 55.1-1208, 55.1-1212, 55.1-1213, 55.1-1226, 55.1-1234, 55.1-1237, 55.1-1243.1, 55.1-1243.2, 55.1-1251, 55.1-1302, 55.1-1311, 55.1-1317, 56-1.2, and 56-245.3 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 55.1-1204.2, relating to Virginia Residential Landlord and Tenant Act; Manufactured Home Lot Rental Act; pre-tenancy fees.

Patron—VanValkenburg

Referred to Committee on General Laws and Technology

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, 55.1-1206, 55.1-1208, 55.1-1212, 55.1-1213, 55.1-1226, 55.1-1234, 55.1-1237, 55.1-1243.1, 55.1-1243.2, 55.1-1251, 55.1-1302, 55.1-1311, 55.1-1317, 56-1.2, and 56-245.3 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 55.1-1204.2 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 containing living quarters occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as his residence.

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

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

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

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

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

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

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

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

§ 55.1-1200. Definitions.

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

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

"Application deposit" means any *optional and* refundable deposit of money, however denominated, ~~including all money intended to be used as a security deposit under a rental agreement, or property,~~ that is paid by a tenant to a landlord for the purpose of being considered as a tenant for a dwelling unit.

"Application fee" means any nonrefundable fee that is paid by a tenant to a landlord or managing agent for the purpose of being considered as a tenant for a dwelling unit, *including fees associated with any background, credit, or other pre-occupancy check on the applicant.*

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

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

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

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

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

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

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

"Dwelling unit" means a structure or part of a structure that is used as a home or residence by one or more

persons who maintain a household, including a manufactured home, as defined in § 55.1-1300.

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

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

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

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

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

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

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

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

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

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

"Natural person," wherever the chapter refers to an owner as a "natural person," includes co-owners who are natural persons, either as tenants in common, joint tenants, tenants in partnership, tenants by the entirety, trustees or beneficiaries of a trust, general partnerships, limited liability partnerships, registered limited liability partnerships or limited liability companies, or any other lawful combination of natural persons permitted by law.

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

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

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

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

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

"Pet" means an animal that has been adapted or tamed to live in intimate association with or for the pleasure of people, including dogs, cats, birds, rabbits, hamsters, and reptiles, and that is not a service dog, as defined in § 51.5-40.1, or assistance animal, as defined in § 36-96.1:1.

"Pet deposit" means any refundable deposit of money that is furnished by a tenant to a landlord to secure the performance of the terms and conditions of a rental agreement as a security for damages to the leased premises incurred by a pet that is authorized by the landlord to occupy the dwelling unit. A "pet deposit" does not include and is separate from a security deposit.

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

"Pre-tenancy fee" means a fee or charge, whether designated as refundable or nonrefundable, that is charged to or collected from a prospective tenant by a landlord prior to or during execution of a rental agreement, including an application fee, an application deposit, an administrative or processing fee, a utility

183 *account set-up fee, a security deposit, a pet deposit, and a renewal fee.*

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

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

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

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

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

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

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

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

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

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

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

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

219 "Tenant" means a person entitled only under the terms of a rental agreement to occupy a dwelling unit to
220 the exclusion of others and includes a roomer. "Tenant" does not include (i) an authorized occupant, (ii) a
221 guest or invitee, or (iii) any person who guarantees or cosigns the payment of the financial obligations of a
222 rental agreement but has no right to occupy a dwelling unit.

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

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

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

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

236 **§ 55.1-1203. Application; deposit, fee, and additional information.**

237 A. Prior to requesting or collecting any payment or information about a prospective tenant and prior to
238 exhibiting the dwelling unit to a prospective tenant, a landlord shall first notify the prospective tenant in
239 writing or by posting in a manner accessible to a prospective tenant (i) the amount and purpose of any
240 application fee or application deposit that may be charged to or collected from an applicant prior to
241 execution of a rental agreement and whether such fee or deposit is optional or refundable; (ii) the amount
242 and purpose of any administrative or processing fee, utility account set-up fee, security deposit, or pet deposit
243 that may be charged to or collected from a tenant upon execution of a rental agreement and whether such fee
244 or deposit is refundable; and (iii) the amount and purpose of any renewal fee or administrative or processing

fee that may be charged to a tenant to renew the rental agreement and whether such fee is refundable.

B. No landlord shall charge any fee to a prospective tenant prior to exhibiting the dwelling unit to the prospective tenant. If a prospective tenant wishes to submit an application or execute a rental agreement before viewing the dwelling unit, the prospective tenant may waive the landlord's requirement to exhibit the dwelling unit pursuant to this subsection by signing a written agreement provided by the landlord.

C. Any landlord may require a refundable application fee and may provide applicants with the option of paying an application deposit in addition to a nonrefundable application fee. Such deposit shall not exceed 10 percent of one month of periodic rent. If the applicant fails to rent the unit for which application was made, from the application deposit the landlord shall refund to the applicant within 20 15 days after the applicant's failure to rent the unit or the landlord's rejection of the application all sums in excess of the landlord's, less the actual expenses and damages incurred by the landlord in the application process that are directly attributable to the applicant, together with an itemized list of such expenses and damages. If, however, the application deposit was made by cash, certified check, cashier's check, or postal money order, such refund shall be made within 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 application. If the landlord fails to comply with this section, the applicant may recover as damages suffered by him that portion of the application deposit wrongfully withheld and reasonable attorney fees.

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

E. An application fee shall not exceed \$50, exclusive of any the actual out-of-pocket expenses paid by the landlord to a third party performing background, credit, or other pre-occupancy checks on the applicant. However, where an application is being made for a dwelling unit that is a public housing unit or other housing unit subject to regulation by the U.S. Department of Housing and Urban Development, an application fee shall not exceed \$32, exclusive of any actual out-of-pocket expenses paid to a third party by the landlord performing background, credit, or other pre-occupancy checks on the applicant. A landlord shall provide a receipt reflecting such expenses to the applicant.

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

G. No landlord shall charge or collect from a tenant any fee prior to the execution of a rental agreement that is not an application fee or application deposit. No landlord shall charge or collect from a tenant any fee at the time of the execution of a rental agreement that is not an administrative or processing fee, a utility account set-up fee, a security deposit, or a pet deposit.

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

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

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

If a tenant fails to sign the form available pursuant to this subsection, the landlord shall record the date or dates on which he provided the form to the tenant and the fact that the tenant failed to sign such form.

Subsequent to the effective date of the tenancy, a landlord may, but shall not be required to, provide a tenant with and allow such tenant an opportunity to sign the form described pursuant to this subsection. The form shall be current as of the date of delivery.

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

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

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

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

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

5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be entitled to charge a late charge as provided in this chapter;

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

7. *If a pet is occupying the dwelling unit, the landlord may collect a pet deposit; and*

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

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

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

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

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

H. The landlord shall provide a copy of the signed written rental agreement and the statement of tenant rights and responsibilities to the tenant within 10 business days of the effective date of the written rental agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect the validity of the agreement. However, the landlord shall not file or maintain an action, including any summons for unlawful detainer, against the tenant in a court of law for any alleged lease violation until he has provided the tenant with the statement of tenant rights and responsibilities.

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

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

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

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

K. A landlord who owns more than four rental dwelling units or more than a 10 percent interest in more than four rental dwelling units, whether individually or through a business entity, in the Commonwealth shall

be required to provide written notice to any tenant who has the option to renew a rental agreement or whose rental agreement contains an automatic renewal provision of any increase in rent during the subsequent rental agreement term. Such landlord shall also provide written notice of nonrenewal to any tenant. Such notices shall be provided to the tenant no less than 60 days prior to the end of the rental agreement term. This subsection shall not apply to any periodic tenancy created pursuant to subsection C of § 55.1-1253.

L. A landlord that charges an administrative or processing fee shall charge an amount equal to the actual cost of executing the rental agreement. Such costs shall only include the actual administrative expenses incurred by the landlord, his employees, or a third party.

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

A landlord shall provide, beginning on the first page of the written rental agreement, an itemization of all charges to the tenant that comprise (i) the security deposit; (ii) *the pet deposit, if applicable*; (iii) the amount of rent due per payment period pursuant to the lease period; and ~~(iii)~~ (iv) any ~~additional one-time charges~~ *pre-tenancy fees* due prior to the commencement date of the rental agreement or that will be included in the first rental payment. Immediately above the itemized list of charges, the written rental agreement shall state: No additional security deposits or rent shall be charged unless they are listed below or incorporated into this agreement by way of a separate addendum after execution of this rental agreement.

§ 55.1-1204.2. Certain renewal fees and administrative fees prohibited.

A. No landlord shall charge a renewal fee or administrative or processing fee to a tenant prior to the execution of a subsequent rental agreement unless (i) a change to the terms and conditions of the subsequent rental agreement is requested by the tenant in writing, (ii) such a fee is necessary to cover the actual cost of implementing the changes proposed by the tenant, and (iii) the change is agreed to by the landlord in writing. Such changes may include:

- 1. Adding or removing tenants;*
- 2. Adding or removing co-signers;*
- 3. Adding or removing pets;*
- 4. Changing provisions related to subleasing;*
- 5. Changing terms of the agreement, including effective and termination dates and automatic renewal; or*
- 6. Changing any other terms and conditions of a rental agreement as such terms and conditions are permitted pursuant to this chapter.*

If a change to the terms and conditions of the subsequent rental agreement is proposed by the landlord, no renewal fee shall be charged to the tenant.

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

§ 55.1-1206. Landlord may obtain certain insurance for tenant.

A. A landlord may require as a condition of tenancy that a tenant have damage insurance and pay for the cost of premiums. As provided in § 55.1-1200, such payments shall not be deemed a security deposit, but shall be rent. However, as provided in § 55.1-1208, the landlord shall not require a tenant to pay both a security deposit and the cost of damage insurance premiums if the total amount of any security deposit and damage insurance premiums exceeds the amount of ~~two months'~~ *one month of* periodic rent. The landlord shall notify a tenant in writing that the tenant has the right to obtain a separate policy from the landlord's policy for damage insurance. If a tenant elects to obtain a separate policy, the tenant shall submit to the landlord written proof of such coverage and shall maintain such coverage at all times during the term of the rental agreement. Where a landlord obtains damage insurance coverage on behalf of a tenant, the insurance policy shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs of such insurance coverage and may recover administrative or other fees associated with administration of a damage insurance policy, including a tenant opting out of the insurance coverage provided by the landlord pursuant to this subsection. If a landlord obtains damage insurance for his tenants, the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the insurance policy or certificate evidencing the coverage being provided and upon request of the tenant make available a copy of the insurance policy. For a tenant that opts out of the landlord's damage insurance program, the landlord shall allow such tenant to either provide their own damage insurance policy or pay the full security deposit.

B. A landlord may require as a condition of tenancy that a tenant have renter's insurance as specified in the rental agreement. A landlord may require a tenant to pay for the cost of premiums for such renter's insurance obtained by the landlord, in order to provide such coverage for the tenant as part of rent or as otherwise provided in this section. As provided in § 55.1-1200, such payments shall not be deemed a security deposit but shall be rent. The landlord shall notify a tenant in writing that the tenant has the right to obtain a separate policy from the landlord's policy for renter's insurance. If a tenant elects to obtain a separate policy, the tenant shall submit to the landlord written proof of such coverage and shall maintain such coverage at all times during the term of the rental agreement. If a tenant allows his renter's insurance policy required by the

rental agreement to lapse for any reason, the landlord may provide any landlord's renter's insurance coverage to such tenant. The tenant shall be obligated to pay for the cost of premiums for such insurance as rent or as otherwise provided herein until the tenant has provided written documentation to the landlord showing that the tenant has reinstated his own renter's insurance coverage.

C. If the landlord requires that such premiums be paid to the landlord prior to the commencement of the tenancy, the total amount of all security deposits, insurance premiums for damage insurance, and insurance premiums for renter's insurance shall not exceed the amount of ~~two months'~~ *one month of* periodic rent. However, the landlord shall be permitted to add a monthly amount as additional rent to recover additional costs of renter's insurance premiums.

D. Where a landlord obtains renter's insurance coverage on behalf of a tenant, the insurance policy shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs of such insurance coverage and may recover administrative or other fees associated with the administration of a renter's insurance program, including a tenant opting out of the insurance coverage provided to the tenant pursuant to this subsection. If a landlord obtains renter's insurance for his tenants, the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the insurance policy prepared by the insurer or certificate evidencing the coverage being provided and upon request of the tenant make available a copy of the insurance policy. Such summary or certificate shall include a statement regarding whether the insurance policy contains a waiver of subrogation provision. Any failure of the landlord to provide such summary or certificate, or to make available a copy of the insurance policy, shall not affect the validity of the rental agreement.

If the rental agreement does not require the tenant to obtain renter's insurance, the landlord shall provide a written notice to the tenant, prior to the execution of the rental agreement, stating that (i) the landlord is not responsible for the tenant's personal property, (ii) the landlord's insurance coverage does not cover the tenant's personal property, and (iii) if the tenant wishes to protect his personal property, he should obtain renter's insurance. The notice shall inform the tenant that any such renter's insurance obtained by the tenant does not cover flood damage and advise the tenant to contact the Federal Emergency Management Agency (FEMA) or visit the websites for FEMA's National Flood Insurance Program or for the Virginia Department of Conservation and Recreation's Flood Risk Information System to obtain information regarding whether the property is located in a special flood hazard area. Any failure of the landlord to provide such notice shall not affect the validity of the rental agreement. If the tenant requests translation of the notice from the English language to another language, the landlord may assist the tenant in obtaining a translator or refer the tenant to an electronic translation service. In doing so, the landlord shall not be deemed to have breached any of his obligations under this chapter or otherwise become liable for any inaccuracies in the translation. The landlord shall not charge a fee for such assistance or referral.

E. Nothing in this section shall be construed to prohibit the landlord from recovering from the tenant, as part of the rent, the tenant's prorated share of the actual costs of other insurance coverages provided by the landlord relative to the premises, or the tenant's prorated share of a self-insurance program held in an escrow account by the landlord, including the landlord's administrative or other fees associated with the administration of such coverages. The landlord may apply such funds held in escrow to pay claims pursuant to the landlord's self-insurance plan.

§ 55.1-1208. Prohibited provisions in rental agreements.

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

1. Agrees to waive or forgo rights or remedies under this chapter;
2. Agrees to waive or forgo rights or remedies pertaining to the 120-day conversion or rehabilitation notice required in the Virginia Condominium Act (§ 55.1-1900 et seq.) or the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.) or under § 55.1-1410;
3. Authorizes any person to confess judgment on a claim arising out of the rental agreement;
4. Agrees to pay the landlord's attorney fees except as provided in this chapter;
5. Agrees to the exculpation or limitation of any liability of the landlord to the tenant arising under law or to indemnify the landlord for that liability or any associated costs;
6. Agrees as a condition of tenancy in public housing to a prohibition or restriction of any lawful possession of a firearm within individual dwelling units unless required by federal law or regulation;
7. Agrees to the payment of a security deposit, insurance premiums for damage insurance, and insurance premiums for renter's insurance prior to the commencement of the tenancy that exceed the amount of ~~two months'~~ *one month of* periodic rent; ~~or~~
8. *Agrees to the payment of a pet deposit in cases where no pet will occupy the dwelling unit during the tenancy;*
9. *Agrees to hire or pay for a professional service, including professional cleaning, painting, and trash removal, upon conclusion of the rental agreement; or*
10. Agrees to waive remedies or rights under the Servicemembers Civil Relief Act, 50 U.S.C. § 3901 et seq., prior to the occurrence of a dispute between landlord and tenant. Execution of leases shall not be contingent upon the execution of a waiver of rights under the Servicemembers Civil Relief Act; however,

upon the occurrence of any dispute, the landlord and tenant may execute a waiver of such rights and remedies as to that dispute in order to facilitate a resolution.

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

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

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

A. As used in this section:

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

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

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

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

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

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

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

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

D. If a ratio utility billing system is used in any residential building, in lieu of increasing the rent, the owner, manager, or operator of such residential building may employ such a program that utilizes a mathematical formula for allocating, among the tenants in a residential building, the actual or anticipated water, sewer, electrical, oil, or natural gas billings billed to the residential building owner from a third-party provider of the utility service. The owner, manager, or operator of the residential building may charge and collect from the tenant additional service charges, including monthly billing fees, account set-up fees, or account move-out fees, to cover the actual costs of administrative expenses and billings charged to the residential building owner, manager, or operator by a third-party provider of such services, provided that such charges are agreed to by the residential building owner and the tenant in the rental agreement or lease. The residential building owner may require the tenant to pay a late charge of up to \$5 if the tenant fails to make payment when due, which shall not be less than 15 days following the date of mailing or delivery of the bill sent pursuant to this section. The late charge shall be deemed rent (i) as defined in § 55.1-1200 if a ratio utility billing system is used in a residential multifamily dwelling unit subject to this chapter or (ii) as defined in § 55.1-1300 if a ratio utility billing system is used in a manufactured home park subject to the Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.).

E. Energy allocation equipment shall be tested periodically by the owner, manager, or operator of the

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

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

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

H. In lieu of increasing the rent, the owner, manager, or operator of a residential building may employ a program that utilizes a mathematical formula for allocating the actual or anticipated local government fees billed to the residential building owner among the tenants in such residential building if clearly stated in the rental agreement or lease. Permitted allocation methods may include formulas based upon square footage, occupancy, number of bedrooms, or some other specific method agreed to by the residential building owner and the tenant in the rental agreement or lease. Such owner, manager, or operator of a residential building may also charge and collect from each tenant additional service charges, including monthly billing fees, account set-up fees, or account move-out fees, to cover the actual costs of administrative expenses for administration of such a program, *provided that such charges are agreed to by the residential building owner and the tenant in the rental agreement or lease*. If the building is residential and is subject to (i) this chapter, such local government fees and administrative expenses shall be deemed to be rent as defined in § 55.1-1200 or (ii) the Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.), such local government fees and administrative expenses shall be deemed to be rent as defined in § 55.1-1300.

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

§ 55.1-1213. Transfer of deposits upon purchase.

The current owner of rental property shall transfer any security deposits or *pet deposits* and any accrued interest on the deposits in his possession to the new owner at the time of the transfer of the rental property. If the current owner has entered into a written property management agreement with a managing agent in accordance with the provisions of subsection E of § 54.1-2135, the current owner shall give written notice to the managing agent requesting payment of such security deposits to the current owner prior to settlement with the new owner. Upon receipt of the written notice, the managing agent shall transfer the security deposits *and pet deposits* to the current owner and provide written notice to each tenant that his security deposit *and, if applicable, pet deposit* has been transferred to the new owner in accordance with this section.

§ 55.1-1226. Security deposits; pet deposits.

A. 1. No landlord may demand or receive a security deposit, however denominated, in an amount or value in excess of ~~two months'~~ *one month of* periodic rent. Upon termination of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last, such security deposit, whether it is property or money held by the landlord as security as provided in this section, may be applied by the landlord solely to (i) the payment of accrued rent, including the reasonable charges for late payment of rent specified in the rental agreement; (ii) the payment of the amount of damages that the landlord has suffered by reason of the tenant's noncompliance with § 55.1-1227, less reasonable wear and tear; (iii) other damages or charges as provided in the rental agreement; or (iv) actual damages for breach of the rental agreement pursuant to § 55.1-1251. *No amount of such security deposit may be applied by the landlord toward (a) the cost of professional services or (b) the cost of materials and labor performed by the landlord or an employee of the landlord, unless such costs are (1) reasonably necessary to return the premises to the same condition as the condition of the premises at the start of the rental agreement, less reasonable wear and tear, and (2) the landlord provides a receipt reflecting such costs to the tenant.* The security deposit and any deductions, damages, and charges shall be itemized by the landlord in a written notice given to the tenant, together with any amount due to the tenant, within ~~45~~ *30* days after the termination date of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last. As of the date of the termination of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last, the tenant shall be required to deliver possession of the dwelling unit to

the landlord. If the termination date is prior to the expiration of the rental agreement or any renewal thereof, or the tenant has not given proper notice of termination of the rental agreement, the tenant shall be liable for actual damages pursuant to § 55.1-1251, in which case, the landlord shall give written notice of security deposit disposition within the ~~45-day~~ 30-day period but may retain any security balance to apply against any financial obligations of the tenant to the landlord pursuant to this chapter or the rental agreement. If the tenant fails to vacate the dwelling unit as of the termination of the tenancy, the landlord may file an unlawful detainer action pursuant to § 8.01-126.

2. A landlord may demand or receive a pet deposit from a tenant only if a pet is occupying the dwelling unit. Upon termination of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last, such pet deposit may be applied by the landlord solely to the payment of the amount of actual damages that the landlord has suffered by reason of the pet occupying the dwelling unit, less reasonable wear and tear. No amount of such pet deposit may be applied by the landlord toward (i) the cost of professional services or (ii) the cost of materials and labor performed by the landlord or an employee of the landlord, unless such costs are (a) reasonably necessary to return the premises to the same condition as the condition of the premises at the start of the rental agreement, less reasonable wear and tear, and (b) the landlord provides a receipt reflecting such costs to the tenant. The pet deposit and any deductions, damages, and charges shall be itemized by the landlord in a written notice given to the tenant, together with any amount due to the tenant, within 30 days after the termination date of the tenancy or the date the tenant vacates the dwelling unit, whichever occurs last.

B. Where there is more than one tenant subject to a rental agreement, unless otherwise agreed to in writing by each of the tenants, (i) disposition of the security deposit shall be made with one check being payable to all such tenants and sent to a forwarding address provided by one of the tenants and (ii) if applicable, disposition of the pet deposit shall be made with a second check in the same manner. The landlord shall make the security deposit disposition such dispositions within the ~~45-day~~ 30-day time period required by subsection A, but if no forwarding address is provided to the landlord, the landlord may continue to hold such security deposit deposits in escrow. If a tenant fails to provide a forwarding address to the landlord to enable the landlord to make a refund of the security deposit or the pet deposit, upon the expiration of one year from the date of the end of the ~~45-day~~ 30-day time period, the landlord may remit such sum sums to the State Treasurer as unclaimed property on a form prescribed by the administrator that includes the name; social security number, if known; and last known address of each tenant on the rental agreement. If the landlord or managing agent is a real estate licensee, compliance with this subsection shall be deemed compliance with § 54.1-2108 and corresponding regulations of the Real Estate Board.

C. Nothing in this section shall be construed by a court of law or otherwise as entitling the tenant, upon the termination of the tenancy, to an immediate credit against the tenant's delinquent rent account in the amount of the security deposit or, if applicable, the pet deposit. The landlord shall apply the security deposit and the pet deposit in accordance with this section within the ~~45-day~~ 30-day time period required by subsection A. However, provided that the landlord has given prior written notice in accordance with this section, the landlord may withhold a reasonable portion of the security deposit to cover an amount of the balance due on the water, sewer, or other utility account that is an obligation of the tenant to a third-party provider under the rental agreement for the dwelling unit, and upon payment of such obligations the landlord shall provide written confirmation to the tenant within 10 days, along with payment to the tenant of any balance otherwise due to the tenant. In order to withhold such funds as part of the disposition of the security deposit, the landlord shall have so advised the tenant of his rights and obligations under this section in (i) a termination notice to the tenant in accordance with this chapter, (ii) a written notice to the tenant confirming the vacating date in accordance with this section, or (iii) a separate written notice to the tenant at least 15 days prior to the disposition of the security deposit. Any written notice to the tenant shall be given in accordance with § 55.1-1202.

The tenant may provide the landlord with written confirmation of the payment of the final water, sewer, or other utility bill for the dwelling unit, in which case the landlord shall refund the security deposit, unless there are other authorized deductions, within the ~~45-day~~ 30-day period required by subsection A. If the tenant provides such written confirmation after the expiration of the ~~45-day~~ 30-day period, the landlord shall refund any remaining balance of the security deposit held to the tenant within 10 days following the receipt of such written confirmation provided by the tenant. If the landlord otherwise receives confirmation of payment of the final water, sewer, or other utility bill for the dwelling unit, the landlord shall refund the security deposit, unless there are other authorized deductions, within the ~~45-day~~ 30-day period.

D. Nothing in this section shall be construed to prohibit the landlord from making the disposition of the security deposit or, if applicable, the pet deposit prior to the ~~45-day~~ 30-day period required by subsection A and charging an administrative fee to the tenant for such expedited processing, if the rental agreement so provides and the tenant requests expedited processing in a separate written document.

E. The landlord shall notify the tenant in writing of any deductions provided by this section to be made from the tenant's security deposit or, if applicable, pet deposit during the course of the tenancy. Such notification shall be made within ~~30~~ 15 days of the date of the determination of the deduction and shall

itemize the reasons in the same manner as provided in subsection F. No such notification shall be required for deductions made less than ~~30~~ 15 days prior to the termination of the rental agreement. If the landlord willfully fails to comply with this section, the court shall order the return of the security deposit *or, if applicable, the pet deposit* to the tenant, together with actual damages and reasonable attorney fees, unless the tenant owes rent to the landlord, in which case the court shall order an amount equal to the security deposit credited against the rent due to the landlord. In the event that damages to the premises exceed the amount of the security deposit and require the services of a third-party contractor, the landlord shall give written notice to the tenant advising him of that fact within the ~~45-day~~ 30-day period required by subsection A. *In the event that damages to the premises incurred by a pet occupying the dwelling unit exceed the amount of the pet deposit, the landlord shall deduct the difference from the security deposit and give written notice to the tenant advising him of that fact within the 30-day period required by subsection A.* If notice is given as prescribed in this subsection, the landlord shall have an additional ~~15-day~~ 10-day period to provide an itemization of the damages and the cost of repair. This section shall not preclude the landlord or tenant from recovering other damages to which he may be entitled under this chapter. The holder of the landlord's interest in the premises at the time of the termination of the tenancy, regardless of how the interest is acquired or transferred, is bound by this section and shall be required to return any security deposit *or pet deposit* received by the original landlord that is duly owed to the tenant, whether or not such ~~security~~ deposit is transferred with the landlord's interest by law or equity, regardless of any contractual agreements between the original landlord and his successors in interest.

F. The landlord shall:

1. Maintain and itemize records for each tenant of all deductions from security deposits provided for under this section that the landlord has made by reason of a tenant's noncompliance with § 55.1-1227, or for any other reason set out in this section, during the preceding two years; ~~and~~

2. *As applicable, maintain and itemize records for each tenant of all deductions from pet deposits provided for under this section that the landlord has made by reason of damages to the premises incurred by a pet occupying the dwelling unit, or for any other reason set out in this section, during the preceding two years; and*

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

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

H. If the tenant has any assignee or sublessee, the landlord shall be entitled to hold a security deposit *or, if applicable, pet deposit* from only one party in compliance with the provisions of this section.

I. The landlord may permit a tenant to provide damage insurance coverage in lieu of the payment of a security deposit *or pet deposit*. Such damage insurance in lieu of a security deposit *or pet deposit* shall conform to the following criteria:

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

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

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

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

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

J. A tenant who initially opts to provide damage insurance in lieu of a security deposit *or pet deposit* may, at any time without consent of the landlord, opt to pay the full security deposit *or pet deposit* to the landlord in lieu of maintaining a damage insurance policy. The landlord shall not alter the terms of the lease in the event a tenant opts to pay the full amount of the security deposit *or pet deposit* pursuant to this subsection.

§ 55.1-1234. Noncompliance by landlord.

Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental

agreement or a noncompliance with any provision of this chapter, materially affecting health and safety, the tenant may serve a written notice on the landlord specifying the acts and omissions constituting the breach and stating that the rental agreement will terminate upon a date not less than 30 days after receipt of the notice if such breach is not remedied in 21 days.

If the landlord commits a breach that is not remediable, the tenant may serve a written notice on the landlord specifying the acts and omissions constituting the breach and stating that the rental agreement will terminate upon a date not less than 30 days after receipt of the notice.

If the landlord has been served with a prior written notice that required the landlord to remedy a breach, and the landlord remedied such breach, where the landlord intentionally commits a subsequent breach of a like nature as the prior breach, the tenant may serve a written notice on the landlord specifying the acts and omissions constituting the subsequent breach, make reference to the prior breach of a like nature, and state that the rental agreement will terminate upon a date not less than 30 days after receipt of the notice.

If the breach is remediable by repairs and the landlord adequately remedies the breach prior to the date specified in the notice, the rental agreement will not terminate. The tenant may not terminate for a condition caused by the deliberate or negligent act or omission of the tenant, an authorized occupant, or a guest or invitee of the tenant. In addition, the tenant may recover damages and obtain injunctive relief for noncompliance by the landlord with the provisions of the rental agreement or of this chapter. The tenant shall be entitled to recover reasonable attorney fees unless the landlord proves by a preponderance of the evidence that the landlord's actions were reasonable under the circumstances. If the rental agreement is terminated due to the landlord's noncompliance, the landlord shall return the security deposit *and, if applicable, the pet deposit* in accordance with § 55.1-1226.

§ 55.1-1237. Notice to tenant in event of foreclosure.

A. The landlord of a dwelling unit used as a single-family residence shall give written notice to the tenant or any prospective tenant of such dwelling unit that the landlord has received a notice of a mortgage default, mortgage acceleration, or foreclosure sale relative to the loan on the dwelling unit within five business days after written notice from the lender is received by the landlord. This requirement shall not apply (i) to any managing agent who does not receive a copy of such written notice from the lender or (ii) if the tenant or prospective tenant provides a copy of the written notice from the lender to the landlord or the managing agent.

B. If the landlord fails to provide the notice required by this section, the tenant shall have the right to terminate the rental agreement upon written notice to the landlord at least five business days prior to the effective date of termination. If the tenant terminates the rental agreement, the landlord shall make disposition of the tenant's security deposit *and, if applicable, pet deposit* in accordance with law or the provisions of the rental agreement, whichever is applicable.

C. If the dwelling unit is foreclosed upon and there is a tenant in such dwelling unit on the date of the foreclosure sale, the successor in interest who acquires the dwelling unit at the foreclosure sale shall assume such interest subject to the following:

1. If the successor in interest acquires the dwelling unit for the purpose of occupying such unit as his primary residence, the successor in interest shall provide written notice to the tenant, in accordance with the provisions of § 55.1-1202, notifying the tenant that the rental agreement is terminated and that the tenant must vacate the dwelling unit on a date not less than 90 days after the date of such written notice.

2. If the successor in interest acquires the dwelling unit for any other purpose, the successor in interest shall acquire the dwelling unit subject to the rental agreement and the tenant shall be permitted to occupy the dwelling unit for the remaining term of the lease, provided, however, that the successor in interest may terminate the rental agreement pursuant to § 55.1-1245 or the terms of the rental agreement. The successor in interest shall provide written notice to the tenant, in accordance with the provisions of § 55.1-1202, informing the tenant of such.

The terms of the terminated rental agreement remain in effect except that the tenant shall make rental payments (i) to the successor owner as directed in a written notice to the tenant in this subsection; (ii) to the managing agent of the owner, if any, or successor owner; or (iii) into a court escrow account pursuant to the provisions of § 55.1-1244; however, there is no obligation of a tenant to file a tenant's assertion and pay rent into escrow. Where there is not a managing agent designated in the rental agreement, the tenant shall remain obligated for payment of the rent but shall not be held to be delinquent or assessed a late charge until the successor owner provides written notice identifying the name, address, and telephone number of the party to which the rent should be paid.

§ 55.1-1243.1. Tenant's remedies for exclusion from dwelling unit, interruption of services, or actions taken to make premises unsafe.

A. A general district court shall enter an order pursuant to this section upon petition by a tenant who presents evidence establishing that his landlord has willfully and without authority from the court (i) removed or excluded the tenant from the dwelling unit unlawfully, (ii) interrupted or caused the interruption of an essential service to the tenant, or (iii) taken action to make the premises unsafe for habitation.

B. An order entered pursuant to this section may require the landlord to (i) allow the tenant to recover

possession of the dwelling unit, (ii) resume any such interrupted essential service, or (iii) fix any willful actions taken by the landlord or his agent to make the premises unsafe for habitation.

C. The initial hearing on the tenant's petition shall be held within five calendar days from the date of the filing of the petition. The court may issue a preliminary order ex parte to require the landlord to take action described in subsection B if the court finds (i) there is good cause shown to do so and (ii) the tenant made reasonable efforts to alert the landlord of the hearing. Any preliminary ex parte order issued pursuant to this section shall further include a date of no more than 10 days after the initial hearing for a full hearing to consider the merits of the petition and the damages described in subsection D. At the full hearing, the court may terminate the rental agreement upon request of the tenant and order the landlord to return all of the security deposit *and, if applicable, pet deposit* in accordance with § 55.1-1226.

D. In a full hearing on a petition filed pursuant to this section and upon evidence presented establishing one or more of the factors in subsection A, the tenant shall recover (i) the actual damages sustained by him; (ii) statutory damages of \$5,000 or four months' rent, whichever is greater; and (iii) reasonable attorney fees.

§ 55.1-1243.2. Tenant's remedies for exclusion from dwelling unit due to condemnation.

A. If the tenant gave notice to the landlord during the tenancy that his dwelling unit was in violation of an applicable building code, such violation posed a substantial risk to the health, safety, or welfare of a tenant, and such violation resulted in the tenant being excluded from his dwelling unit due to such unit being condemned, the landlord shall be liable to the tenant for actual damages. The landlord shall also return to the tenant any (i) prepaid rent that had not become due as of the date of condemnation, (ii) security deposit, ~~or~~ (iii) *if applicable, pet deposit, or (iv) rent paid, if any, to the landlord subsequent to the unit being condemned.*

B. No landlord shall be liable pursuant to this section if:

1. The condemnation of the dwelling unit was caused by (i) the deliberate or negligent act or omission of the tenant, an authorized occupant, or a guest or invitee of the tenant or (ii) an act of God; or

2. The lease was properly terminated pursuant to § 55.1-1240.

§ 55.1-1251. Remedy after termination.

If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a separate claim for actual damages for breach of the rental agreement, reasonable attorney fees as provided in § 55.1-1245, and the cost of service of any notice under § 55.1-1245 or 55.1-1415 or process by a sheriff or private process server, which cost shall not exceed the amount authorized by § 55.1-1247, and such claims may be enforced, without limitation, by initiating an action for unlawful entry or detainer. Actual damages for breach of the rental agreement may include a claim for rent that would have accrued until the expiration of the term of the rental agreement or until a tenancy pursuant to a new rental agreement commences, whichever occurs first, provided that nothing contained in this section shall diminish the duty of the landlord to mitigate actual damages for breach of the rental agreement. In obtaining post-possession judgments for actual damages as defined in this section, the landlord shall not seek a judgment for accelerated rent through the end of the term of the tenancy.

In any unlawful detainer action brought by the landlord, this section shall not be construed to prevent the landlord from being granted by the court a simultaneous judgment for money due and for possession of the premises without a credit for any security deposit *or pet deposit*. Upon the tenant vacating the premises either voluntarily or by a writ of eviction, security deposits *and, if applicable, pet deposits* shall be credited to the tenant's account by the landlord in accordance with the requirements of § 55.1-1226.

§ 55.1-1302. Term of rental agreement; renewal; security and pet deposits.

A. A landlord shall offer all current and prospective year-round residents a rental agreement with a rental period of not less than one year. Such offer shall contain the same terms and conditions as are offered with shorter term leases, except that rental discounts may be offered by a landlord to residents who enter into a rental agreement for a period of not less than one year.

B. Upon the expiration of a rental agreement with a term of one year or more, the agreement shall be automatically renewed for a term of the same duration with the same terms unless either party provides written notification of an intent to not renew the agreement at least 60 days prior to the expiration date or the landlord provides written notice to the tenant of any change in the terms of the agreement at least 60 days prior to the expiration date. If the tenant notifies the landlord in writing within 30 days of receiving notice of the change in terms that he does not agree to such change in terms, such tenant may choose to not renew the rental agreement unless the landlord agrees to maintain the same terms as those in the current agreement. In the case of an automatic renewal of a rental agreement for a year-round resident, *neither* the security deposit *nor, if applicable, the pet deposit* initially furnished by the tenant shall ~~not~~ be increased by the landlord, nor shall an additional security deposit be required.

C. Except as limited by subsection B, the provisions of § 55.1-1226 shall govern the terms and conditions of security deposits *and pet deposits* for rental agreements under this chapter.

D. No landlord shall charge a tenant for late payment of rent unless such charge is provided for in the written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10 percent of the remaining balance due and owed by the tenant.

§ 55.1-1311. Other provisions of law applicable.

Section 55.1-1202, subsection A of § 55.1-1204, §§ 55.1-1203, 55.1-1204.2, 55.1-1207, 55.1-1208, 55.1-1216, 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 inconsistent with this chapter, apply, mutatis mutandis, to the rental and occupancy of a manufactured home lot, including termination of a lot lease if a tenant commits a remediable breach and, after remedying such breach, intentionally commits a subsequent breach of a like nature, during the same lease term.

§ 55.1-1317. Transfer of deposits upon purchase.

The manufactured home park owner shall transfer any security deposits or *pet deposits* and any accrued interest on the deposits in his possession to the new manufactured home park owner at the time of the transfer of the rental property. If the current manufactured home park owner has entered into a written property management agreement with a managing agent in accordance with the provisions of subsection E of § 54.1-2135, the current manufactured home park owner shall give written notice to the managing agent requesting payment of such security deposits to the current manufactured home park owner prior to settlement with the new manufactured home park owner. Upon receipt of the written notice, the managing agent shall transfer the security deposits and *pet deposits* to the current manufactured home park owner and provide written notice to each tenant that his security deposit and, if applicable, *pet deposit* has been transferred to the new manufactured home park owner in accordance with this section.

§ 56-1.2. Persons, localities, and school boards not designated as public utility, public service corporation, etc.

The terms public utility, public service corporation, or public service company, as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1 (§ 56-265.13:1 et seq.) of this title, shall not refer to:

1. Any person who owns or operates property and provides electricity, natural gas, water, or sewer service to residents or tenants on the property, provided that (i) the electricity, natural gas, water, or sewer service provided to the residents or tenants is purchased by the person from a public utility, public service corporation, public service company, or person licensed by the Commission as a competitive provider of energy services, or a county, city or town, or other publicly regulated political subdivision or public body, (ii) the person or his agent charges to the resident or tenant on the property only that portion of the person's utility charges for the electricity, natural gas, water, or sewer service which is attributable to usage by the resident or tenant on the property, and additional service charges permitted by § 55.1-1212 or 55.1-1404, as applicable, and (iii) the person maintains three years' billing records for such charges.

2. Any (i) person who is not a public service corporation and who provides electric vehicle charging service at retail, (ii) school board that operates retail fee-based electric vehicle charging stations on school property pursuant to § 22.1-131, or (iii) locality that operates a retail fee-based electric vehicle charging station on property owned or leased by the locality pursuant to § 15.2-967.2. The ownership or operation of a facility at which electric vehicle charging service is sold, and the selling of electric vehicle charging service from that facility, does not render such person, school board, locality, or board of visitors a public utility, public service corporation, or public service company as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1 (§ 56-265.13:1 et seq.) solely because of that sale, ownership, or operation.

3. Any agency, as defined in § 2.2-128, when operating a retail fee-based electric vehicle charging station pursuant to § 2.2-614.5 on any property or facility the agency controls. The ownership or operation of a facility at which electric vehicle charging service is sold, or the selling of electric vehicle charging service from that facility, does not render the agency a public utility, public service corporation, or public service company as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.), and 10.2:1 (§ 56-265.13:1 et seq.) solely because of that sale, ownership, or operation.

§ 56-245.3. Commission to promulgate regulations and standards.

A. Notwithstanding any law to the contrary, the Commission shall promulgate regulations and standards under which any owner, operator, or manager of an apartment house, office building, shopping center, or campground, which is not individually metered for electricity or gas for each dwelling unit, nonresidential rental unit, or campsite may install submetering equipment or energy allocation equipment for the purpose of fairly allocating (a) the cost of electrical or gas consumption for each dwelling unit, nonresidential rental unit, or campsite and (b) electrical or gas demand and customer charges made by the utility. In addition to other appropriate safeguards for the tenant, the regulations shall require (i) that an apartment house, office building, shopping center, or campground owner shall not impose on the tenant any charges, over and above the cost per kilowatt hour, cubic foot or therm, plus demand and customer charges, where applicable, which are charged by the utility company to the owner, including any sales, local utility, or other taxes, if any, except that additional service charges permitted by § 55.1-1212 or 55.1-1404, as applicable, may be collected to cover administrative costs and billing, and (ii) that the apartment house, office building, shopping center, or campground owner shall maintain adequate records regarding submetering and energy allocation equipment and shall make such records available for inspection by the Commission during reasonable business hours.

927 The provisions of this section shall not restrict the right of the owner, operator or manager to recover in
928 periodic lease payments the tenant's fair share of electricity or gas costs attributable to owner-paid areas and
929 costs incurred by the owner, operator or manager in establishing and maintaining the submetering or energy
930 allocation equipment.

931 B. Only for purposes of Commission enforcement of the regulations adopted under this section, the
932 owners, operators, or managers of apartment houses, office buildings, shopping centers, or campgrounds
933 included within the purview of this article shall be treated as public service corporations under §§ 56-5, 56-6
934 and 56-7. All submetering equipment shall be subject to the same regulations and standards established by the
935 Commission for accuracy, testing, and record keeping of meters installed by electric or gas utilities and shall
936 be subject to the meter requirements of § 56-245.1. All energy allocation equipment shall be subject to
937 regulations and standards established by the Commission to ensure that such systems result in a reasonable
938 determination of energy use and the resulting costs for each dwelling unit, nonresidential rental unit, or
939 campsite. Violations of Commission regulations and orders issued under this section shall be subject to the
940 penalty set forth in § 12.1-33.

941 C. In implementing this section, no apartment house, office building, shopping center, or campground
942 shall be considered a public utility or public service corporation engaged in the business of distributing or
943 reselling electricity or gas except as provided in subsection B. The apartment house, office building, shopping
944 center, or campground may use submetering or energy allocation equipment solely to allocate the costs of
945 electric or gas service fairly among the tenants using the apartment house, office building, shopping center, or
946 campground.

947 D. For the purposes of rules promulgated pursuant to this section, billing requirements and all other rules
948 related to submetering or energy allocation equipment use by tenants of an apartment house, office building,
949 shopping center, or campground shall apply to residential and nonresidential unit owners.

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