RICHMOND
ASSOCIATION OF REALTORS®

General Assembly
REPORT

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2026 GENERAL ASSEMBLY SESSION OF VIRGINIA AT A GLANCE

Virginia lawmakers wrapped up the Regular Session of the 2026 General Assembly on March 14, and since then, held the Reconvened Session last Wednesday, April 22, to consider all gubernatorial amendments and vetoes.

Virginia remains without a budget…despite a Special Session being held on April 23 that was to have focused exclusively on the budget. Last week was a rare trifecta: April 21 Special Election, April 22 Reconvened Session, and April 23 Special Session on the (non-existing) budget.

The inability to craft a budget deal has been grounded in a House versus Senate, Senate versus Governor, and Governor joins with House dispute over data center tax breaks that continue to fracture negotiations among Democrats who control every lever of power in Richmond.

The standoff overshadowed what had otherwise been a consequential session for Democrats, who entered the year with a newly minted trifecta that included Virginia's first female Governor and an ambitious policy agenda that focused on affordability, lowering costs for Virginians while expanding worker protections, consumer safeguards, maternal health and tenants' rights.

From ice storms to freezing temperatures, a large rookie class of 17 legislators, multiple special elections in both the House and the Senate, the sad loss of former House Appropriations Committee Chairman Barry Knight, and the first Muslim Lieutenant Governor presiding in the Senate of Virginia--the 2026 General Assembly Session definitely had some memorable moments.

RAR's Bill Review Task Force evaluated more than 100 bills this session, voting to support, oppose, or amend legislation with real consequences for Virginia's real estate industry. The Task Force helped focus the Virginia REALTORS® Public Policy Committee and lobbying team to keep specific issues and legislation top of mind, particularly the septic legislation from 2025 that needed significant attention.

In addition, RAR had an extraordinary turnout for REALTOR® Day on the Hill that brought a large, enthusiastic and knowledgeable group of members to the General Assembly Building and the Capitol. Delegates and Senators from the Richmond region appreciated your time and your market details that assist with their understanding of the current housing market.

VIRGINIA REALTOR® BILLS & PRIMARY POLICY AREAS

The 2026 Virginia General Assembly session marked one of the most consequential years for housing policy in over a decade. The legislature, in coordination with the Governor's office, advanced a comprehensive housing agenda focused on three core pillars:

- ***Expanding housing supply through zoning reform***
- ***Preserving existing affordable housing stock***
- ***Strengthening tenant protections and eviction prevention mechanisms***

The result is a broad portfolio of legislation that materially reshapes the regulatory landscape for developers, local governments, landlords, and housing advocates.
Most notably, the General Assembly moved aggressively into state-level land use preemption, historically a locally controlled domain, signaling a long-term shift in Virginia housing policy.

Governor Spanberger signed executive orders and supported an affordable housing agenda, including a bill that gives residents the right to buy manufactured home parks. She signed a zoning law that allows faith-based organizations to build affordable housing on their land by-right. On tenant protections, there are extended grace periods for overdue rent, and eviction prevention efforts are evolving.

***Affordable Housing Production**: Signed HB1227 and SB729, leveraging state bonding authority to support the development of new affordable housing.*
***Local Zoning & Financing**: Enacted HB867 and SB74, allowing all Virginia localities to adopt affordable housing zoning programs, including density bonuses for developers and establishing housing trust funds.*
***Manufactured Homes**: Passed HB655 and SB346 to increase housing supply by easing regulations on building manufactured homes.*
***Homebuyer Assistance**: Signed HB1144, which allows localities to waive or reduce water and sewer fees for first-time homebuyers.*
***Tenant Protection: Supported SB628**, expanding the Virginia Eviction Reduction Program pilot, and proposed extending the time for tenants to pay rent to two weeks.*

VIRGINIA REALTORS® LEGISLATIVE AGENDA RESULTS

Protect Early Lease Termination for Retiring Military Personnel
House Bill 174 & Senate Bill 325 – Delegate Michael Feggans & Senator Russet Perry
Status:

- *Passed Both Chambers Unanimously*
- *Signed by the Governor on April 6*
- *Effective July 1, 2026*

This legislation removes Virginia's 60-day lease termination notice requirement for servicemembers, bringing state law into full compliance with the Federal Servicemembers Civil Relief Act and ensuring military families can respond to orders without penalty.

Deed Fraud Prevention
House Bill 163 & Senate Bill 316 – Delegate Marcus Simon & Senator Travis Hackworth
Status:

- *Passed Both Chambers Unanimously*
- *Signed by the Governor on April 8*
- *Funding included in both the House and Senate adopted budgets*
- *Various effective dates from January 1, 2027 for some curriculum changes and July 1, 2027 for the property alert notification system*

Following a year-long statewide workgroup, this bill strengthens protections against deed fraud and title theft through enhanced notary training, a free property alert notification system at local clerks' offices, and tighter identity verification at key points in the transaction.

Limit Homeowner's Insurance Cancellations and Refusals Due to Roof Age
House Bill 677 & Senate Bill 402 – Delegate Michelle Maldonado & Senator Scott Surovell
Status:

- *Passed Both Chambers Unanimously*
- *Signed by the Governor on April 13*
- *Effective January 1, 2027*

This bill prohibits insurers from canceling or non-renewing coverage solely due to the age of an asphalt shingle roof and restricts predatory contractors from soliciting storm-damage claims without consumer protections. Many of you

answered our Call For Action on this one, and your engagement was decisive in achieving unanimous passage against significant industry opposition.

Increasing Consumer Choice in Septic Inspection
House Bill 1178 & Senate Bill 401 – Delegate Kimberly Pope Adams & Senator Emily Jordan
Status:

- *Passed Both Chambers Unanimously*
- *Signed by the Governor on April 6*
- *Effective July 1, 2026*

This cleanup bill resolves ambiguities in last year's septic inspector licensing law, clarifying what constitutes a "readily accessible" component, requiring written inspection reports within 10 business days, and confirming that reports must address whether the system is functioning as intended.

Increase Local Government Workforce Homeownership Grants
House Bill 164 & Senate Bill 328 – Delegate Josh Thomas & Senator Russet Perry
Status:

- *Passed Both Chambers with Bipartisan Support*
- *Signed by the Governor on April 6*
- *Effective date of July 1, 2026*

This bill removes the existing $25,000 cap and income restrictions on local government workforce homeownership grants, giving localities greater flexibility to help recruit and retain essential employees. It passed with support from both sides of the aisle.

REALTOR® License Plate Fee Modification
House Bill 1339 & Senate Bill 204 – Delegate Gretchen Bulova & Senate David Suetterlein
Status:

- *Passed Both Chambers Unanimously*
- *Signed by Governor on April 6*
- *Effective date of July 1, 2026*

This bill converts the REALTOR® specialty license plate to a revenue-sharing plate, directing proceeds to the Virginia REALTORS® Disaster Relief Fund to provide sustainable long-term support for members facing natural disasters.

Streamlining the Real Estate Licensee Application Process
Senate Bill 613 – Senator Todd Pillion
Status:

- *Passed Both Chambers Unanimously, As Amended*
- *Signed by the Governor on April 8*
- *Effective date of July 1, 2026*

SB613 was amended in the House to require DPOR to study and map their full process, identify bottlenecks, and report findings to the General Assembly. With concrete data in hand, we can craft targeted legislation to solve the real problem. Our goal has not changed: get new licensees into the market faster.

BUDGET PRIORITIES — The Conversation Continues on Housing Affordability and Supply

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Both chambers' money committees were navigating real economic uncertainty this session, a headwind that made even well-received proposals more difficult to fund. Both priorities below initiated important groundwork, and with Governor Spanberger set to introduce her first full budget next year, we believe the environment for both will improve.

Freeze of Capital Gains Tax on Primary Residential Sales
House Bill 1210 & Senate Bill 139 – Delegate Briana Sewell & Senator Jeremy McPike
Status:

- *Continued to 2027 Session*

This bill would have provided a five-year state income tax subtraction on long-term capital gains from the sale of a primary residence for homeowners selling above the federal exemption threshold, removing a barrier that discourages long-time owners from selling and suppressing inventory. We will continue building the case for it in future sessions.

Create a First-Time Homebuyer Incentive
House Bill 1211 & Senate Bill 747 – Delegate Briana Sewell & Senator Todd Pillion
Status:

- *Continued to 2027 Session*

This bill would have created a tax credit or grant for first-time buyers in the 80-120% AMI range, too often squeezed out of homeownership in Virginia's markets. The policy is sound, the legislative relationships are in place, and we will continue making the case for this investment.

OTHER BILLS TO WATCH & MONITOR

Virginia is now treating housing affordability as both a supply problem and an asset preservation issue, aligning with national best practices. In addition to tracking the VR Legislative Agenda, RAR's PPC watched these bills closely.

Zoning Reform & Land Use Modernization

Right of First Refusal
House Bill 4 - Delegate (now Sen.) Elizabeth Bennett Parker
Status:

- *Passed and Senate*
- *Signed by the Governor on April 8*
- *Effective date of July 1, 2026*

Enables localities or designated entities the right of first refusal, before market-rate conversion, to purchase subsidized rental housing that are at risk of losing affordability before market-rate conversion

Affordable Dwelling Units
Senate Bill 531 – Senator Kannan Srinivasan
Status:

- *Passed House and Senate*
- *Signed by the Governor on April 13*
- *Effective date of July 1, 2027*

Requires a locality to include in its zoning ordinances for single-family residential zoning districts accessory dwelling units, or ADUs, as defined in the bill, as a permitted accessory use. The bill requires a person to seek a permit for an ADU from the locality, requires the locality to issue such permit if the person meets certain requirements enumerated in the bill, and restricts the fee for such permit to $500 or less

Mixed Income Housing
House Bill 820, House Bill 196, & Senate Bill 490 – Delegate Dan Helmer, Del. Josh Thomas, & Senator Schuyler VanValkenburg
Status:

- *Passed General Assembly*
- *Signed by the Governor on April 22*
- *Effective Date of July 1, 2026*

Directs the Department of Housing and Community Development, in collaboration with the Virginia Housing Development Authority, to create a two-year pilot program that would provide loan origination and servicing activities for mixed income housing and submit a report on its findings to the General Assembly by November 1 of each year of the pilot program. The bill provides that any funding for the pilot program, subject to the appropriation act, shall be utilized from up to 15 percent of the annual deposit made to the Virginia Housing Trust Fund. This bill is identical to HB 196 and SB 490.

Faith in Housing
House Bill 1279 & Senate Bill 388 – Delegate Josh Cole & Senator Jeremy McPike
Status:

- *Passed the General Assembly*
- *Signed by the Governor on April 22*
- *Effective date of July 1, 2026*

Allows religious organizations and qualifying nonprofits to build affordable housing "by-right" on land they own. The legislation aims to bypass local zoning barriers and speed up development on church-owned property, with a minimum density of 20 units/acre and a four-year sunset

Zoning for Small Lot Residential Districts
House Bill 1212 – Delegate Brianna Sewell
Status:

- *Passed General Assembly*
- *Signed by Governor on April 13*
- *Effective Date of July 1, 2026*

Requires any locality with a population of 50,000 or more to adopt, maintain, and apply to land within its boundaries at least one zoning district classification that permits a single-family dwelling on a lot with a minimum lot area not exceeding 3,000 square feet. The bill provides that such zoning district classifications shall not impose minimum lot widths exceeding 30 feet or setback, lot coverage, or density requirements that would preclude construction of eligible dwellings on conforming lots. The bill's provisions do not apply to areas within a historic district.

Landlord–Tenant Reform & Eviction Policy

The 2026 Virginia General Assembly passed several significant landlord-tenant bills signed by the Governor, focusing on enhanced tenant protections and affordable housing. While not adopting full "good cause eviction," Virginia continues a steady shift toward tenant-favorable policy frameworks.

Locality Enforcement of Habitability

House Bill 14 & Senate Bill 290 – Delegate Cia Price & Senator Lashrecse Aird
Status:

- *Passed the General Assembly*
- *Signed by the Governor on April 8*
- *Effective July 1, 2026*

Allows localities to act against landlords for severe, unaddressed code violations impacting tenant safety or health.

Eviction Notice Extension

House Bill 15 & Senate Bill 48 – Delegate Cia Price & Senator Aaron Rouse
Status:

- *Passed General Assembly*
- *Signed by the Governor on April 8*
- *Effective date of July 1, 2026*

Increases the mandatory waiting period for landlords to pursue remedies for nonpayment of rent from 5 to 14 days, providing tenants more time to catch up.

Tenant Record Access

House Bill 616 – Delegate Bonita Anthony
Status:

- *Passed General Assembly*
- *Signed by the Governor on April 13*
- *Effective date of July 1, 2027*

Requires landlords owning more than four units to provide tenants, upon request, an itemized statement of all payments and charges made over the past 12 months or duration of tenancy within 10 days.

Habitability Defense
Senate Bill 373 – Senator Jennifer Boysko
Status:

- *Passed General Assembly*
- *Signed by the Governor on April 13*
- *Effective Date of July 1, 2026*
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Allows evidence of uninhabitable conditions as a valid defense in eviction cases.

Rental Payment Methods and Prohibited Fees
House Bill 1005 & Senate Bill 313 - Delegate Kathy Tran & (former) Senator Adam Ebbin
Status:

- *Passed General Assembly*
- *Signed by the Governor on April 13*
- *Effective Date of July 1, 2026*

Limits excessive fees and standardizes payment acceptance by requiring a landlord subject to the Virginia Residential Landlord and Tenant Act to accept payment of periodic rent and any security deposit by check and money order. The bill additionally prohibits such a landlord from requiring a tenant to pay any fee to submit periodic rent payments or other amounts due in excess of the actual out-of-pocket expenses charged to the landlord by a third party to process a payment. Finally, the bill prohibits a landlord from requiring a tenant to pay any fee for the maintenance or repair of any dwelling unit unless the repair is necessitated by the tenant's violation of the Virginia Residential Landlord and Tenant Act.

LOOKING AHEAD & ANALYZING TRENDS

The Governor has signaled broad support for enhancing housing affordability and accessibility, housing supply and inventory through the amendment of zoning statutes, protecting tenants' rights and using the state budget as an opportunity to expand the Housing Trust Fund and development-related financing. Even in economic development announcements, the Administration is articulating housing affordability as a top-tier economic issue.

While the Commonwealth has not pre-empted local zoning authority, there likely will be headwinds on this topic if localities are not more focused on rezoning approvals. Additionally, tenant protections, housing finance mechanisms and enforcement of housing production targets all could be issues that emerge in the 2027 General Assembly Session.

Regarding the tenant protection issues, small landlords likely will see increased compliance burdens on fee restrictions, the eviction process and enforcement exposure. Longer notice periods may continue to be pressed and there is a potential that future "good cause" eviction legislation will be introduced based on trends in the current General Assembly.

Traditional single-family zoning advocates will have to become more flexible and creative in order to meet the legislative demands of increasing housing supply that could be part of an eventual state-driven housing framework.

Strategic Implications:

- Developers will have significant, new opportunities, but must be able to navigate affordability requirements and evolving regulations.
- Localities will have to prepare for state compliance and zoning updates
- Investors will see increased opportunities in adaptive reuse, multifamily, and nonprofit partnerships
- Landlords will face a heightened regulatory environment. Compliance strategy will be essential.